

03-00438

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
FOR FISCAL YEAR ENDING
JUNE 30, 2022



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MAINTAINING
RELIABILITY



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Energy
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FROM THE PRESIDENT/CEO



In fiscal year 2022, one of the most exciting announcements came from Ford Motor Company regarding a \$5.8 billion investment that will be built in Stanton, TN. The new plant, called Blue Oval City, will be housed on 3,600 acres, create approximately 5,800 jobs, and will produce electric powered vehicles and EV batteries. The plant is expected to be operational in 2025. As a result of this investment and its close proximity to Jackson, we have already seen substantial growth in residential and commercial developments.

In May of this year, the Electric System began construction of a substation that would serve a data center located at 2342 North Parkway East. Jones Creek Substation consists of two power transformers and one metal-clad switchgear. Once Jones Creek Substation is on-line, it will serve 60MW of data center load.

The Gas System started the expansion of the 12-inch high-pressure beltline to reach the extremities of Madison County that were currently unserved. This beltline consists of approximately 7 miles of 12-inch steel gas main that will improve system reliability, serve new system load, and provide natural gas service to those unserved areas in eastern Madison County. Growth in the extremities of Madison county has continued due to poultry farming operations which require a large volume of gas for their operations.

The Water System began the design of a 500,000 gallon elevated water tank in Medina, TN, proven to be needed from a water system evaluation study. This elevated water tank will not only provide improved operations to the Medina area, but will also improve water quality, fire flow, and reduce JEA's vulnerability with added redundancy in the Medina water service territory. The water system also made much-needed upgrades to the existing water-wastewater storeroom that included the addition of restroom and breakroom facilities. This storeroom is used daily by approximately 40 employees.

The Wastewater System began rehabilitation to the Anderson Branch Creek drainage basin to increase the size of some primary interceptor lines to accommodate current flows and future growth. A Capacity Improvement Plan recommended the replacement of existing 12" to 16" mains along Anderson Branch Creek to increase in size to 18" and 24" mains. Additionally, the wastewater system continued to make upgrades to the Miller Avenue Treatment Plant.

The Telecom System began construction of a Fiber Optic Re-Generation Site on Mt Pinson Road. It was determined that a centralized site was necessary to increase optical power levels in the southwest portion of the service area. As a result, this site will increase broadband service to approximately 800 homes. Additionally, JEA's telecom system implemented the Affordable Connectivity Program (ACP). The ACP is a newly government funded program that will reimburse eligible low income customers \$30 per month for internet service. JEA was recognized by the White House on May 9th as one of the internet providers working towards getting service to eligible low income families.



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FROM THE PRESIDENT/CEO *(continued)*

JEA's Control Center also saw some much needed improvements to the fire protection system that houses JEA's enterprise servers, data storage, communication equipment and Uninterruptible Power Supplies, which supply battery backup power for key areas of the building. Before the improvements, a water sprinkler system served as fire protection in both computer rooms. To reduce the risk of water damage, the water sprinkler system was replaced with a gas fire suppression system.

Although JEA has been the recipient of inventory shortages, material price increases and delivery delays that began as a result of the pandemic, we remain optimistic this will not deter or delay the growth we anticipate for years to come. Along with the announcement of Blue Oval Ford, we look forward to watching Madison County experience a growth surge due to several exciting endeavors such as the Jackson Dixie Plant and the Great Wolf Lodge water park.

On February 1st of this year, I announced my intentions to retire in January of 2023. As a result, the Board of Directors began an extensive internal and external search process. After several months of reviewing applications and interviewing several qualified applicants, the Board of Directors named Monte Cooper as JEA's Chief Operating Officer and President/CEO-Elect. Monte and I have been meeting regularly since the announcement to ensure a smooth and seamless transition in his new role. I am confident that with Monte's guidance, Jackson Energy Authority will continue to thrive and excel as a leader in the utility industry and an excellent provider of services to our community.

A handwritten signature in blue ink that reads "Jim F. Ferrell".

Jim F. Ferrell, President/CEO
Jackson Energy Authority



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BOARD OF DIRECTORS

PICTURED AT RIGHT, TOP TO BOTTOM

MONTE JONES, CHAIR
PAM FINNEY, VICE CHAIR
HOWARD BOND
LOGAN HAMPTON
BILL KIPP



MANAGEMENT TEAM

JIM FERRELL, PRESIDENT & CHIEF EXECUTIVE OFFICER
MECHELE WILLIAMS, SENIOR VICE PRESIDENT & CHIEF FINANCIAL OFFICER
TERESA COBB, GENERAL COUNSEL

MONTE COOPER - SENIOR VICE PRESIDENT, ELECTRIC DIVISION
BRAXTON WILLIAMS - SENIOR VICE PRESIDENT, GAS DIVISION
STEVE RAPER - SENIOR VICE PRESIDENT, WATER DIVISION
ROWLAND FISHER - SENIOR VICE PRESIDENT, WASTEWATER DIVISION
BEN LOVINS - SENIOR VICE PRESIDENT, TELECOMMUNICATIONS DIVISION
STACY SCOGGINS - CORPORATE SECRETARY



MICHAEL BAUGHN - VICE PRESIDENT, INFORMATION TECHNOLOGY
LARA COLEMAN - VICE PRESIDENT, ENGINEERING
ROBERT MULLINS - VICE PRESIDENT, OPERATIONS
BARRY CROSS - VICE PRESIDENT, HUMAN RESOURCES
TED AUSTIN - VICE PRESIDENT, CUSTOMER SERVICE & COMMUNITY RELATIONS
JOHN NANNEY - VICE PRESIDENT, ECONOMIC & INDUSTRIAL DEVELOPMENT

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Alexander Thompson Arnold PLLC, Jackson, TN



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SYSTEM HIGHLIGHTS

ELECTRIC

During fiscal year 2022, the Johnson Creek Transmission line rehabilitation was completed and placed in service. The Johnson Creek substation was completed and energized with load to be served in late summer 2022. This will help diversify the circuits in the area and provide a backup for the industrial circuits. Work was completed on the Christmasville Substation and it was placed in service. This should help serve the anticipated growth in and around the Dr. F.E.Wright/Interstate 40 area.

A new 46kV substation, Jones Creek Substation, was designed for a data center project in the east side of the JEA service territory. The substation will be built in FY23 and have an in-service date of June 2023.

The conversion of street, security, and flood lights to LED lighting continued as LED lights are now the only type purchased. This conversion continues as a gradual deployment with existing high pressure sodium (yellow) lights and metal halide (white) lights as they fail.

Fiscal year 2022 also saw an expansion in the in-house tree trimming operation as a third chipper/bucket truck, land clearing skid steer, and a Jaraff machine for trimming right-of-way more efficiently were added.

GAS

During fiscal year 2022, approximately 13.1 miles of main and over 475 services were installed. Of these totals, 11.0 miles were new main associated with system expansion projects and 2.1 miles included mains replaced as part of JEA's systematic infrastructure replacement program.

Regarding service installations, 345 services were attributed to new customer growth and over 130 services were replaced as part of system renew projects. Two major system expansion projects were substantially completed. The first expansion project consisted of installing approximately 0.6 miles of gas main east along Luray Rd. to provide service for two 8 barn poultry farms. The second expansion project consisted of approximately 7.1 miles of 12-inch steel beltline along Liberty Claybrook Road and Willoughby Road. This project improved system reliability, and provided access to service for approximately 67 potential new residential customers in eastern Madison County.

WATER

During fiscal year 2022, the Division completed the design of a new water tank to be constructed in Medina to help add redundancy and improve fireflow to the Medina area. Water main extensions were completed on North Highland Avenue along the east side (north of Ashport Road) as well as on Ridgecrest Road Extended. Water main rehabilitation was completed along Talbot St. and McCowat St. as was Bemis Phase III.

Fiscal year 2022 also saw the purchase of AMI meters that will help provide the technology to read meters remotely and minimize meter reading expense.

Lastly, the Division finalized wholesale water agreements with Lexington Utilities and County-Wide Utility District. These agreements will allow the sale of water to these entities at a wholesale rate so that they can provide water service to their customers.

WASTEWATER

In fiscal year 2022, work continued on two Housing and Urban Development/Community Development Block



Grant (HUD/CDBG) projects. The Miller Avenue Wastewater Treatment Plant project saw the completion of 1 of 4 clarifiers, although improvements are ongoing. The 36-inch Interceptor Replacement/Rehabilitation at Fairgrounds-Highland bore was completed and placed in service.

Design work was nearing completion on the South Fork (SF) Sewer Interceptor Rehabilitation project design and bids should be received in fiscal year 2023. Likewise, the design work is 90% complete on the Anderson Branch Sewer Interceptor Rehabilitation project and bids should be received in fiscal year 2023.

Lastly, the Division began project design for a new Bio-solids Dryer at the Miller Avenue Wastewater Treatment Plant. Currently, bio-solids pass through a pressing process which only removes about 15% of the water. The addition of this new natural gas powered dryer will remove up to 90% of water in the bio-solids. The drying process not only helps reduce the volume of bio-solids sent to the landfill, but also produces a high-quality end product that can be directly applied to agricultural fields, lawns, home gardens. etc.. Design is expected to be completed in fiscal year 2023.

TELECOMMUNICATIONS

During fiscal year 2022, the Telecommunications Division made system improvements, customer-focused enhancements, and national news headlines for its commitment to fast, affordable services. Also, as part of its corporate responsibility, the Division continues to partner with local organizations to support the community.

Equipment and service improvements were made at Jackson-Madison County General Hospital as part of the HFC and Pro:Idiom projects. New analog generation gear was installed, fiber was added along with RF converters and every cable channel was regenerated to improve system signal and clarity.

Other system improvements include a new software platform, Cisco 1000 Eyes, to troubleshoot off-plant network issues; and new OLT cards/EDFAs to support the two new XGS-PON customers with 2 Gig service.

A few projects scheduled to be completed soon include the installation of a third generator at the headend for additional backup power and the plant upgrade to Adtran. The Division is upgrading the final five Cores to Adtran equipment allowing for faster fiber connectivity. As part of this project the new Mt. Pinson Road Fiber Regeneration Site was designed to offer even more reliable service by shortening the distance from equipment to customers.

The Division also updated its website with a self-service enhancement. The new 'How to Order' section of the website improves the customer experience with signing up for telecom services and improves the customer service department's productivity when servicing these requests.

On May 9, 2022, Jackson Energy Authority was represented in the White House Rose Garden for participation in the Affordable Connectivity Program, the largest high-speed internet affordability program in U.S. history. The Division's participation in this program allows eligible customers to receive free or reduced-cost Internet services through federal funding.

Also, during this fiscal year, EPlusTV 6, the Division's local origination station continued to be utilized to showcase events like the Hub City Innovation Cup and charity fundraisers such as Dancing with the Stars for the Star Center. Other public events like local election returns, government meetings and forums are regularly showcased to keep the public informed on topics that impact the community.

FINANCIALS

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ANNUAL
REPORT
FY2022



Independent Auditor's Report

To the Board of Directors
Jackson Energy Authority

Opinions

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority, (the Authority), a component unit of the City of Jackson, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the pension and OPEB related schedules and notes as listed in the table of contents, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and financial information listed as supplementary and other information in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises introductory section and the supplementary and other information which has been marked "unaudited" as listed in the table

of contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Alexander Thompson Arnold PLLC

Jackson, Tennessee
October 31, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Jackson Energy Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2022. All amounts, unless otherwise indicated, are expressed in actual dollars.

OVERVIEW OF THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Authority's strategic plan, budget, bond resolutions, and other management tools were used for this analysis. The Financial Statements and Supplementary Information are made up of four sections: 1) the introductory section, 2) the financial section 3) the supplementary and other information section, and 4) the internal control and compliance section. The introductory section includes the Authority's directory. The financial section includes the independent auditor's report, the MD&A, the financial statements with accompanying notes and the required supplementary information. The supplementary and other information section includes selected financial and operational information. The internal control and compliance section includes the report on internal control and compliance. These sections make up the financial report presented here.

REQUIRED FINANCIAL STATEMENTS

A Proprietary Fund is used to account for the operations of the Authority, which is financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

A Fiduciary Fund is used to account for resources held for the benefit of parties outside of the Authority. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial statements report information about the Authority, using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities.

The *Statement of Net Position* presents the financial position of the Authority on a full-accrual historical-cost basis. The statement of financial position includes all of the Authority's assets, liabilities, and deferred inflows/outflows of resources with the difference noted as net position. It provides information about the nature and amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority.

The *Statement of Revenues, Expenses and Changes in Net Position* presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement measures the success of the Authority's operations and can be used to determine whether the Authority has successfully recovered all of its costs. This statement also measures the Authority's profitability and credit worthiness.

The *Statement of Cash Flows* presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipt and cash disbursement information, without consideration of the earnings event, when an obligation arises.

The *Statement of Fiduciary Net Position* includes all assets and liabilities of the plan and provides a picture of the fiduciary net position of the plan as of the end of the current fiscal year. Assets less liabilities results in net position restricted for other plan benefits held in trust at year-end.

REQUIRED FINANCIAL STATEMENTS (Continued)

The *Statement of Changes in Fiduciary Net Position* reports all additions and deductions of the plan for the current fiscal year. Additions consist of employer contributions, participant contributions (if required or allowed), and investment earnings.

Deductions include benefits paid on behalf of plan participants and administrative expenses. Total additions minus deductions provide the net increase or decrease in net position for the current fiscal year. The change in net position plus the beginning net position, results in the ending net position restricted for plan benefits for the current year.

The *Notes to the Financial Statements* provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Authority's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

FINANCIAL HIGHLIGHTS - ELECTRIC FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at June 30, 2022 were \$230.3 million and exceeded liabilities and deferred inflows of resources in the amount of \$146.7 million (i.e. net position).
- Net position increased \$8.4 million during the current year. Restricted net position is \$584 thousand.
- Unrestricted net position increased by \$5.8 million.
- Operating revenues were \$152 million for 2022, an increase from 2021 in the amount of \$12 million or 8.7%.
- Operating expenses were \$143 million for 2022, an increase from 2021 in the amount of \$8 million or 6.2%.

FINANCIAL ANALYSIS - ELECTRIC FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2022:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 82,839,408	\$ 76,340,592	\$ 6,498,816	8.51%
Capital assets	137,240,493	137,537,614	(297,121)	-0.22%
Total assets	220,079,901	213,878,206	6,201,695	2.90%
Deferred outflows of resources	10,201,589	11,656,938	(1,455,349)	-12.48%
Long-term liabilities	42,557,312	56,642,057	(14,084,745)	-24.87%
Other liabilities	29,919,292	25,626,356	4,292,936	16.75%
Total liabilities	72,476,604	82,268,413	(9,791,809)	-11.90%
Deferred inflows of resources	11,089,527	4,955,576	6,133,951	123.78%
Net position:				
Net investment in capital assets	110,881,056	108,123,303	2,757,753	2.55%
Restricted for debt service	473,906	455,938	17,968	3.94%
Other restricted net position	109,715	329,144	(219,429)	-66.67%
Unrestricted	35,250,682	29,402,770	5,847,912	19.89%
Total net position	\$ 146,715,359	\$ 138,311,155	\$ 8,404,204	6.08%



FINANCIAL ANALYSIS – ELECTRIC FUND (Continued)

Current and other assets increased by \$6.5 million primarily due to:

- 1) Cash and cash equivalents on deposit increased by \$4.5 million. See the Statement of Cash Flows on pages 30 and 31 for analysis of the changes.
- 2) Temporary investments decreased by \$1.7 million as the Fund divested a Community Bank CD (\$512 thousand) and Walker County GA Dev Authority Econ Dev bonds (\$751 thousand).
- 3) Accounts receivable increased by \$2 million as June, 2022 sales were \$2.1 million higher than June, 2021 sales.
- 4) Prepayments and other current assets increased by \$1.2 million primarily due to unbilled receivables being \$945 thousand higher in 2022.

Major capital additions during the fiscal year included the following:

• Purchase of Meters	\$635 thousand
• Storm damage replacements	\$511 thousand
• Installation of Johnson Creek substation	\$294 thousand
• Union University overhead to underground conversion	\$269 thousand
• Transformers	\$256 thousand

Deferred outflows of resources decreased due to pension and OPEB plan investments increasing as of the measurement date such that the difference between expected and actual earnings switched from a deferred outflow to a deferred inflow.

Long-term liabilities decreased by \$14.1 million due to:

- 1) Net OPEB liability decreased by \$2 million primarily due to income on Plan assets. See page 88 for details of the OPEB liability changes.
- 2) Net pension liability decreased by \$8.8 million also due to income on Plan assets. See page 85 for details of the pension liability changes.
- 3) Bond principal payments of \$2.7 million.

The increase in other liabilities reflects higher accounts payable due to higher power cost caused by higher May and June sales.

The increase in deferred inflows of resources is due almost entirely to the net difference between expected and actual earnings from Plan investments.

Table 1 on page 11 shows that 75.6% of the Electric Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt. Net position restricted for debt service and other restricted net position are amounts limited to specific uses by the Fund's bond covenants or through resolutions passed by the Authority's Board of Directors.



FINANCIAL ANALYSIS - ELECTRIC FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2022 and 2021:

Table 2
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 151,727,401	\$ 139,586,872	\$ 12,140,529	8.70%
Non-operating revenues	320,171	640,382	(320,211)	-50.00%
Contributions	651,488	754,579	(103,091)	-13.66%
Total revenues	152,699,060	140,981,833	11,717,227	8.31%
Operating expenses	143,442,540	135,012,050	8,430,490	6.24%
Non-operating expenses	852,316	908,044	(55,728)	-6.14%
Total expenses	144,294,856	135,920,094	8,374,762	6.16%
Change in net position	8,404,204	5,061,739	3,342,465	66.03%
Beginning net position	138,311,155	133,249,416	5,061,739	3.80%
Ending net position	\$ 146,715,359	\$ 138,311,155	\$ 8,404,204	6.08%

The increase in operating revenues is due almost entirely to the pass-through of fuel cost adjustments from TVA as kwh's sold only increased by 1% from 2021.

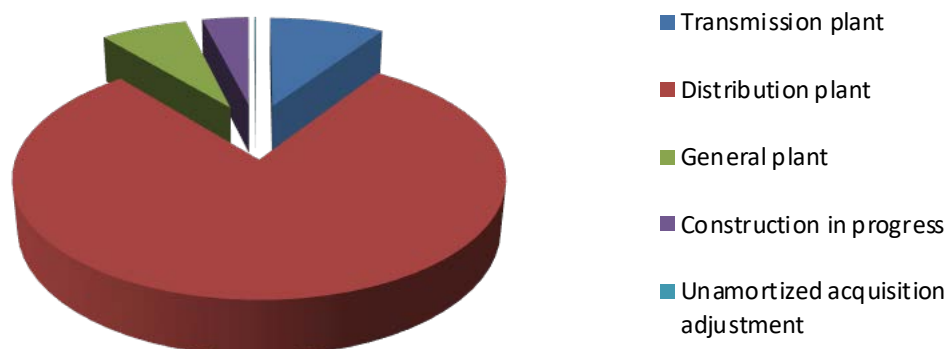
The increase in operating expenses is due to the fuel cost adjustments passed along from TVA and included in operating revenues, offset by a decrease in pension expense due largely to changes in Plan benefits and increased earnings on Plan investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2022. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute electric power to customers and to expand the fund with customer growth.

Plant Investment





CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$25,260,000 and \$117,482 respectively, as of June 30, 2022. Principal payments are due in the upcoming fiscal year in the amount of \$2,873,742, along with interest payments totaling \$913,695. As of June 30, 2022, the debt service restricted assets were \$626,189 for the 2014 and 2020 bond issues. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - ELECTRIC FUND

Highlights from the Fund's FY 2023 budget include:

- Sales projections of \$152,439,000.
- Cost of purchased power projections of \$120,700,000.
- No projected rate increase.
- Customer projections of 37,130.
- O&M projected expenditures of \$15,771,000.
- Capital expenditure projections of \$17,616,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 5.49 will meet all bond compliance tests.

In planning for the next five years, capital projects for the Electric System in the years following the budget year include expansion of Passmore Lane Substation, Madison West Substation, and the addition of another 46kV Substation for interconnection of JEA's 25MW Solar Array. Passmore Lane Substation will be expanded to meet the commercial growth in the area near the Hwy 45/Hwy 45 By-Pass intersection. Madison West Substation will be expanded to prepare the system for an increase of industrial load that will be added in the Hwy 223 Industrial Park. Other system reliability projects will continue beyond the budget year to include underground cable replacement, pole replacement, and line upgrades.

Existing industrial customer expansions and new industrial load will continue to be sought and drive expenses of the Electric System. Older substation transformers and switchgear will be replaced as they near end of life. Customer adoption of electric vehicles (EV) will create opportunities for increasing Electric System sales at residential as well as commercial locations. Threats to the Electric System will continue as increasing energy efficiencies result in lower sales per customer and as behind the meter DER (distributed energy resources) work to lower customer demand.

FINANCIAL HIGHLIGHTS - GAS FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$153.6 million and exceeded liabilities and deferred inflows of resources in the amount of \$103.6 million (i.e. net position).
- Net position increased \$5.1 million during the current year.
- Unrestricted net position increased by \$804 thousand during the current year.
- Operating revenues were \$42.9 million, an increase from 2021 in the amount of \$6.7 million or 18.7%.
- Operating expenses were \$37.5 million, an increase from 2021 in the amount of \$5.6 million or 17.6%.



FINANCIAL ANALYSIS – GAS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2022:

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 50,989,380	\$ 48,195,108	\$ 2,794,272	5.80%
Capital assets	96,327,113	93,077,251	3,249,862	3.49%
Total assets	147,316,493	141,272,359	6,044,134	4.28%
Deferred outflows of resources	6,242,413	7,527,105	(1,284,692)	-17.07%
Long-term liabilities	35,028,750	42,895,916	(7,867,166)	-18.34%
Other liabilities	7,364,263	3,963,105	3,401,158	85.82%
Total liabilities	42,393,013	46,859,021	(4,466,008)	-9.53%
Deferred inflows of resources	7,532,216	3,401,222	4,130,994	121.46%
Net position:				
Net investment in capital assets	78,720,879	74,435,369	4,285,510	5.76%
Restricted for debt service	80,113	75,012	5,101	6.80%
Unrestricted	24,832,685	24,028,840	803,845	3.35%
Total net position	\$ 103,633,677	\$ 98,539,221	\$ 5,094,456	5.17%

Current and other assets increased by \$2.8 million primarily due to an increase in cash and cash equivalents of \$614 thousand. See page 30-31 for details of changes in cash and cash equivalents. Accounts receivable increased \$464 thousand and materials and supplies increased \$456 thousand.

Major capital expenditures during the fiscal year included the following:

- 12" Steel Beltline H.P. Main Installation in eastern Madison County \$2.8 million
- 6" & 4" I.P. Main Installation to 86 potential customers \$469 thousand
- Purchase 2,440 gas ERT's for gas meters \$194 thousand

Deferred outflows of resources decreased due to pension and OPEB plan investments increasing as of the measurement date such that the difference between expected and actual earnings switched from a deferred outflow to a deferred inflow.

Long-term liabilities decreased by \$7.9 million primarily due to:

- 1) A \$6 million decrease in net pension liability driven by better than expected returns and a plan amendment. See page 85 for details of the pension liability changes.
- 2) Bond principal paid in the amount of \$900 thousand.
- 3) A \$1.3 million decrease in the net OPEB liability driven by better than expected returns. See page 88 for details of the OPEB liability changes.

Other liabilities increased \$3.4 million primarily due to an increase in accounts payable of \$3.2 million. Storage gas accounts for \$1.4 million of the increase in accounts payable.

The increase in deferred inflows of resources is due almost entirely to the net difference between expected and actual earnings from Plan investments.



FINANCIAL ANALYSIS – GAS FUND (Continued)

Table 1 indicates that 76% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2022 and 2021:

Table 2
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 42,891,753	\$ 36,143,199	\$ 6,748,554	18.67%
Non-operating revenues	106,683	350,414	(243,731)	-69.56%
Contributions in aid	142,312	109,882	32,430	29.51%
Total revenues	43,140,748	36,603,495	6,537,253	17.86%
Operating expenses	37,460,900	31,855,479	5,605,421	17.60%
Non-operating expenses	585,392	614,446	(29,054)	-4.73%
Total expenses	38,046,292	32,469,925	5,576,367	17.17%
Change in net position	5,094,456	4,133,570	960,886	23.25%
Beginning net position	98,539,221	94,405,651	4,133,570	4.38%
Ending net position	\$ 103,633,677	\$ 98,539,221	\$ 5,094,456	5.17%

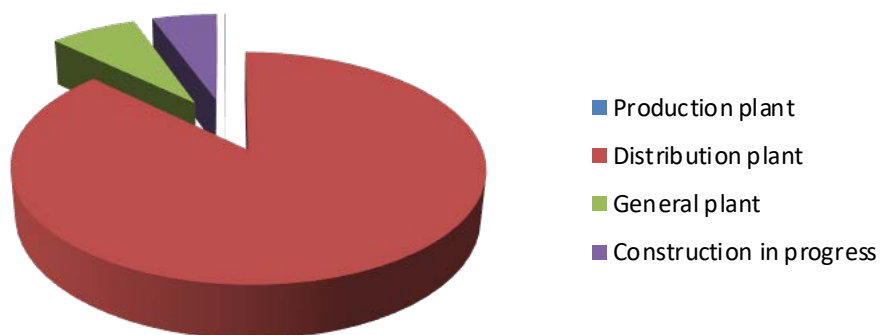
Operating revenues increased by 18.7% due in large part to increased residential natural gas sales of \$2.4 million. Average usage per customer decreased from 65.8 MCF in 2021 to 61.1 MCF in 2022, a decrease of 7%. However, cost per MCF increased from \$10.04 in 2021 to \$12.12 in 2022, an increase of 20.7%. In addition, higher prices per MCF were seen in commercial and industrial sales.

CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2022. These changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute natural gas and propane to customers and to expand the system with customer growth.

Plant Investment





CAPITAL ASSETS AND DEBT ADMINISTRATION – GAS FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds of \$16,715,000 as of June 30, 2022. Principal payments are due in the upcoming fiscal year in the amount of \$940,000, along with interest payments totaling \$658,681. As of June 30, 2022, debt service restricted assets were \$135,003 for the 2015 bond issue. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - GAS FUND

Highlights from the Fund's FY 2023 budget include:

- Sales revenue projections of \$43,569,000.
- Cost of purchased gas projections of \$25,895,000.
- No projected base rate increase.
- Customer projections of 34,016.
- O&M projected expenditures of \$10,646,000.
- Capital expenditure projections of \$7,509,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 5.90 will meet all bond compliance tests.

In planning for the next five years, the Gas System looks forward to continued service to and investment in the community. Because of diligence in planning and operations, the System is well positioned to support the growth opportunities that are expected in our area with the announcement of Ford's Blue Oval City as well as the continued robust growth of our commercial and industrial base. To facilitate growth and ensure continued operational excellence, recurring capital expenditures will be approximately \$5 million each year. These expenditures include main installations to serve growth areas at \$1.4 million, new service installations at \$900 thousand, metering/AMI infrastructure at \$930 thousand, and \$600 thousand for system replacement projects each year. Projected growth areas of the county include continued residential growth in the northern portion of the service territory and residential/industrial growth in the western portion of the territory.

Gas System sales are budgeted conservatively based on weather adjusted historic usage for beyond FY 2023. While growth rate and industrial consumption will have an impact on sales, the largest impact every year will be winter temperatures. The rise in gas prices to a decade high level could have a slight negative impact on sales through conservation in the short term. The expectation for the longer term is for prices to revert to historic averages due to increased production.

The Gas System is currently completing an update to its 25 year master plan. As part of the process, the model will be updated to identify any weak points in the system and growth areas will be identified. From this information, future capital budgets will be further refined to ensure that the Gas System is ready to serve the community and industry with clean, abundant natural gas.

FINANCIAL HIGHLIGHTS – WATER FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$137.7 million and exceeded liabilities and deferred inflows of resources in the amount of \$109.3 million (i.e. net position).



FINANCIAL HIGHLIGHTS - WATER FUND (Continued)

- Net position increased by \$6.8 million during the current year. Restricted net position increased by \$62 thousand.
- Operating revenues were \$18.8 million, an increase from 2021 in the amount of \$284 thousand or 1.5%.
- Operating expenses were \$12.5 million, a decrease from 2021 in the amount of \$1.7 million or 12.3%.

FINANCIAL ANALYSIS - WATER FUND

Table 1 focuses on the Fund's net position and the changes in net position during 2022.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 15,214,753	\$ 16,763,218	\$ (1,548,465)	-9.24%
Capital assets	116,343,421	112,029,323	4,314,098	3.85%
Total assets	131,558,174	128,792,541	2,765,633	2.15%
Deferred outflows of resources	6,150,986	6,977,113	(826,127)	-11.84%
Long-term liabilities	18,632,116	27,178,204	(8,546,088)	-31.44%
Other liabilities	3,312,866	3,251,611	61,255	1.88%
Total liabilities	21,944,982	30,429,815	(8,484,833)	-27.88%
Deferred inflows of resources	6,501,115	2,909,174	3,591,941	123.47%
Net position:				
Net investment in capital assets	108,021,087	101,483,454	6,537,633	6.44%
Restricted for debt service	1,222,671	1,161,097	61,574	5.30%
Unrestricted	19,305	(213,886)	233,191	-109.03%
Total net position	\$ 109,263,063	\$ 102,430,665	\$ 6,832,398	6.67%

Current and other assets decreased by \$1.5 million primarily due to a decrease in cash and cash equivalents of \$1.9 million. See page 30-31 for details of changes in cash and cash equivalents.

Major capital expenditures during the fiscal year included the following:

- | | |
|---|----------------|
| • Purchase 7,090 ERT's for water meters | \$671 thousand |
| • Purchase of 5,752 water meters of various sizes | \$612 thousand |
| • South Well #12 replacement | \$569 thousand |

Long-term liabilities decreased by \$8.5 million dollars primarily due to:

- 1) A \$5.1 million decrease in net pension liability driven by better than expected returns and a plan amendment. See page 85 for details of the pension liability changes.
- 2) Bond principal paid in the amount of \$1.99 million.
- 3) A \$1 million decrease in the net OPEB liability driven by better than expected returns. See page 88 for details of the OPEB liability changes.

The increase in deferred inflows of resources is due almost entirely to the net difference between expected and actual earnings from Plan investments.

Table 1 indicates that 98.86% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.



FINANCIAL ANALYSIS - WATER FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2022 and 2021:

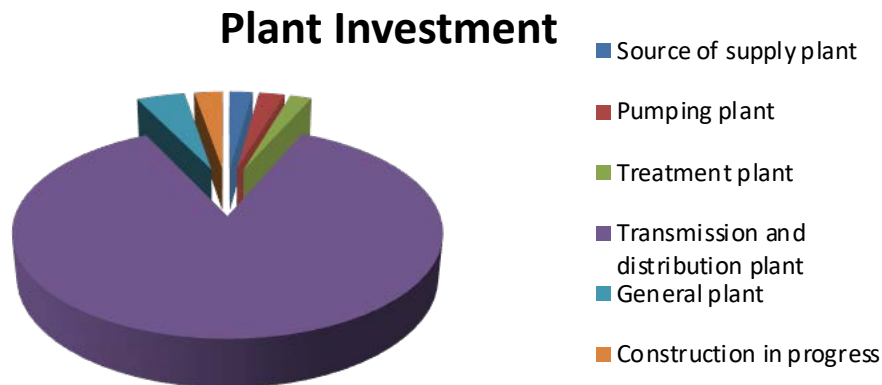
Table 2
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 18,835,866	\$ 18,551,417	\$ 284,449	1.53%
Non-operating revenues	33,241	77,619	(44,378)	-57.17%
Contributions	817,052	1,397,524	(580,472)	-41.54%
Total revenues	19,686,159	20,026,560	(340,401)	-1.70%
Operating expenses	12,468,765	14,209,783	(1,741,018)	-12.25%
Non-operating expenses	384,996	428,013	(43,017)	-10.05%
Total expenses	12,853,761	14,637,796	(1,784,035)	-12.19%
Change in net position	6,832,398	5,388,764	1,443,634	26.79%
Beginning net position	102,430,665	97,041,901	5,388,764	5.55%
Ending net position	\$ 109,263,063	\$ 102,430,665	\$ 6,832,398	6.67%

CAPITAL ASSETS AND DEBT ADMINISTRATION - WATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2022. Changes to capital assets are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the necessary plant and infrastructure to deliver water service to customers and to expand the system with customer growth.



Debt Administration

The Fund has outstanding revenue bonds of \$7,900,000 as of June 30, 2022. Principal payments in the amount of \$2,090,000, are due in the upcoming fiscal year, along with interest payments totaling \$342,750. As of June 30, 2022, the debt service restricted assets were \$1,255,588 for the 2017 bond. Details relating to the outstanding debt can be found in Note 3E.



ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - WATER FUND

Highlights from the Fund's FY 2023 budget include:

- Sales projections of \$18,297,000.
- No projected rate increase.
- Customer projections of 38,249.
- O&M projected expenditures of \$10,941,000.
- Capital expenditure projections of \$6,372,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 3.37 will meet all bond compliance tests.

In planning for the next five years, the Water System has significant capital projects that will continue beyond the new budget year. The most costly of these is the water meter AMI project at almost \$2.8 million over four years. Relocation of the Madison West Tank to Medina that begins in FY 2023 will go until FY 2024 at a total cost of \$1.5 million. Other projects scheduled for future years include a new production well for South Water Plant, cast iron pipe rehabilitation, and Distribution System expansions.

Expectations are for a new hotel water park to begin operations with an estimated requirement of 80,000 gallons of water usage per day. A potential connection by Owens Corning will continue to be pursued. On-going challenges for the Water System include the need for additional south well field sites, groundwater protection and attention to drinking water contaminants. The Water System plans to continue seeking opportunities for state funding of water projects.

FINANCIAL HIGHLIGHTS - WASTEWATER FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants, and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$174.5 million and exceeded liabilities and deferred inflows of resources in the amount of \$117.6 million (i.e. net position).
- Net position increased \$9.5 million during the fiscal year.
- Unrestricted net position increased by \$4.3 million.
- Operating revenues were \$21.2 million, an increase from 2021 in the amount of \$587 thousand or 2.9%.
- Operating expenses were \$14.3 million, a decrease from 2021 in the amount of \$1 million or 6.6%.



FINANCIAL ANALYSIS - WASTEWATER FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2022.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 34,689,419	\$ 31,534,824	\$ 3,154,595	10.00%
Capital assets	133,643,921	131,579,546	2,064,375	1.57%
Total assets	168,333,340	163,114,370	5,218,970	3.20%
Deferred outflows of resources	6,191,076	7,019,215	(828,139)	-11.80%
Long-term liabilities	45,728,740	54,505,007	(8,776,267)	-16.10%
Other liabilities	5,360,310	4,898,271	462,039	9.43%
Total liabilities	51,089,050	59,403,278	(8,314,228)	-14.00%
Deferred inflows of resources	5,824,031	2,586,851	3,237,180	125.14%
Net position:				
Net investment in capital assets	98,260,198	93,113,251	5,146,947	5.53%
Restricted for debt service	2,301,792	2,248,925	52,867	2.35%
Unrestricted	17,049,345	12,781,280	4,268,065	33.39%
Total net position	\$ 117,611,335	\$ 108,143,456	\$ 9,467,879	8.75%

The increase in Current and Other Assets is due to:

- 1) Increase in cash and cash equivalents of \$5.3 million. See page 30-31 for changes in cash and cash equivalents.
- 2) Decrease in accounts receivable of \$538 thousand
- 3) Decrease in Intellectual Property of \$1 million representing amortization of outside engineering studies that will guide capital and O&M expenditures over the next ten years.

Major capital expenditures during the fiscal year included the following:

- HUD/CDBG Grant projects \$3.5 million
- Sewer cleaning truck \$439 thousand
- Greenwood Ave WW rehab \$214 thousand

Long-term liabilities decreased by \$8.8 million dollars primarily due to:

- 1) A \$4.6 million decrease in net pension liability driven by better than expected returns and a plan amendment. See page 85 for details of the pension liability changes.
- 2) Bond and Note principal paid in the amount of \$3.0 million.
- 3) A \$962 thousand decrease in the net OPEB liability driven by better than expected returns. See page 88 for details of the OPEB liability changes.

The increase in deferred inflows of resources is due almost entirely to the net difference between expected and actual earnings from Plan investments.



FINANCIAL ANALYSIS - WASTEWATER FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2022 and 2021:

Table 2

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION				
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	Increase (Decrease)	
			<u>Amount</u>	<u>%</u>
Operating revenues	\$ 21,150,696	\$ 20,563,173	\$ 587,523	2.86%
Non-operating revenues	125,861	144,512	(18,651)	-12.91%
Contributions	3,192,297	5,444,445	(2,252,148)	-41.37%
Total revenues	<u>24,468,854</u>	<u>26,152,130</u>	<u>(1,683,276)</u>	-6.44%
Operations expenses	14,332,207	15,337,820	(1,005,613)	-6.56%
Non-operating expenses	668,768	800,282	(131,514)	-16.43%
Total expenses	<u>15,000,975</u>	<u>16,138,102</u>	<u>(1,137,127)</u>	-7.05%
Change in net position	9,467,879	10,014,028	(546,149)	-5.45%
Beginning net position	<u>108,143,456</u>	<u>98,129,428</u>	<u>10,014,028</u>	10.20%
Ending net position	<u>\$ 117,611,335</u>	<u>\$ 108,143,456</u>	<u>\$ 9,467,879</u>	8.75%

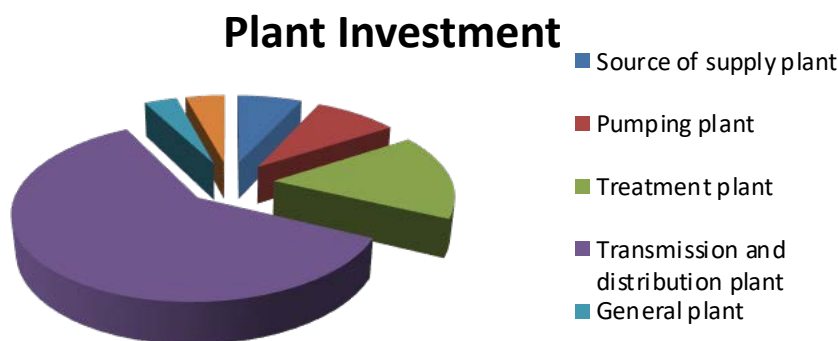
Operating revenues increased largely due to increases in our commercial and industrial customers. This group billed 130,193 Mgal more in 2022 which increased revenue \$862 thousand.

Contributions decrease is related to impact fees decreasing \$586 thousand and CDBG grants decreasing \$1.5 million from 2021 to 2022.

CAPITAL ASSETS AND DEBT ADMINISTRATION - WASTEWATER FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2022. Changes to capital assets are presented in greater detail in Note 3D to the financial statements. This investment in capital assets provides the plant and infrastructure to collect, treat and dispose of wastewater.





CAPITAL ASSETS AND DEBT ADMINISTRATION - WASTEWATER FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds and Notes Payable of \$17,420,000 and \$17,980,180, respectively, as of June 30, 2022. Principal payments in the amount of \$3,109,892 are due in the upcoming fiscal year with interest payments totaling \$379,074 on the Revenue Bonds and the Notes Payable. As of June 30, 2022, the debt service restricted assets total \$2,323,111 for the 2017 and 2020 bond issues and the State Revolving Fund notes payable. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - WASTEWATER FUND

Highlights from the Fund's FY 2023 budget include:

- Sales projections of \$20,993,000.
- No projected rate increase.
- Customer projections of 31,045.
- O&M projected expenditures of \$11,113,000.
- Capital expenditure projections of \$7,166,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 3.03 will meet all bond compliance tests.

In planning for the next five years, the Wastewater System's bio-solids dryer design to manage and reduce disposal volume at the local landfill is budgeted to begin in FY 2023 and will continue into FY 2024. The project will be funded by the Wastewater System at \$8.1 million. If grant monies or other sources of funding for the project are made available, that will be pursued. Construction will occur in FY 2025 and FY 2026. Replacement of the SF interceptor and AN interceptor will take place beyond the budget year for a total of \$4.4 million.

The Wastewater System will continue to monitor potential growth areas and seek additional State funding opportunities when necessary. Future plans are to continue focusing on rehabilitation projects with annual projects beginning in FY 2024.

FINANCIAL HIGHLIGHTS - TELECOMMUNICATIONS FUND

Management believes the Fund's financial condition is strong. The Fund is well within its debt covenants and stringent financial policies and guidelines have been set by the Board and Management. The following are key financial highlights.

- Total assets and deferred outflows of resources at year-end were \$59.3 million and exceeded liabilities by \$19.5 million (i.e. net position).
- Net position increased by \$3.3 million.
- Unrestricted net position increased by \$2.4 million.
- Operating revenues were \$34.9 million, an increase from 2021 of \$1.8 million or 5.5%.
- Operating expenses were \$30.4 million, a decrease from 2021 of \$97 thousand or .32%.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND

Table 1 below focuses on the Fund's net position and the changes in net position during 2022.

Table 1
CONDENSED STATEMENT OF NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Current and other assets	\$ 20,204,903	\$ 17,966,035	\$ 2,238,868	5.53%
Capital assets	33,031,947	36,785,814	(3,753,867)	-7.88%
Total assets	53,236,850	54,751,849	(1,514,999)	-3.87%
Deferred outflows of resources	6,049,264	7,165,022	(1,115,758)	6.72%
Long-term liabilities	26,115,175	36,253,714	(10,138,539)	-9.74%
Other liabilities	8,201,769	7,080,002	1,121,767	6.36%
Total liabilities	34,316,944	43,333,716	(9,016,772)	-7.45%
Deferred inflows of resources	5,451,540	2,322,008	3,129,532	28.80%
Net position:				
Net investment in capital assets	7,608,967	6,748,373	860,594	13.31%
Restricted for debt service	6,703,015	6,662,713	40,302	0.39%
Unrestricted	5,205,648	2,850,061	2,355,587	10.29%
Total net position	\$ 19,517,630	\$ 16,261,147	\$ 3,256,483	8.09%

Current and other assets increased due to a \$1.8 million increase in cash. See page 30-31 for changes in cash and cash equivalents.

Capital assets decreased in 2022 as depreciation expense exceeded asset additions by \$3.8 million.

Deferred outflows of resources decreased due to pension and OPEB plan investments increasing as of the measurement date such that the difference between expected and actual earnings switched from a deferred outflow to a deferred inflow.

Long-term liabilities decreased due to:

- 1) Net OPEB liability decreased by \$1.1 million as primarily due to income on Plan assets. See page 88 for details of the OPEB liability changes.
- 2) Net pension liability decreased by \$4.3 million also due to income on Plan assets. See page 85 for details of the pension liability changes.
- 3) Bond principal payments of \$4.6 million.

Table 1 indicates that 39% of the Fund's net position was related to capital assets, which includes land and easements, structures and improvements, infrastructure, and equipment, net of related debt.



FINANCIAL ANALYSIS - TELECOMMUNICATIONS FUND (Continued)

Table 2 summarizes the variances in the Statement of Revenues, Expenses and Changes in Net Position between fiscal years 2022 and 2021:

Table 2
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	June 30, 2022	June 30, 2021	Increase (Decrease)	
			Amount	%
Operating revenues	\$ 34,863,072	\$ 33,062,800	\$ 1,800,272	5.45%
Non-operating revenues	79,363	66,366	12,997	19.58%
Contributions	26,562	45,029	(18,467)	-41.01%
Total revenues	<u>34,968,997</u>	<u>33,174,195</u>	<u>1,794,802</u>	5.41%
Operating expenses	30,425,384	30,522,427	(97,043)	-0.32%
Non-operating expenses	1,287,130	1,460,850	(173,720)	-11.89%
Total expenses	<u>31,712,514</u>	<u>31,983,277</u>	<u>(270,763)</u>	-0.85%
Change in net position	3,256,483	1,190,918	2,065,565	173.44%
Beginning net position	16,261,147	15,044,291	1,216,856	8.09%
Prior period adjustment/restatement	-	25,938	(25,938)	-100.00%
Ending net position	<u>\$ 19,517,630</u>	<u>\$ 16,261,147</u>	<u>\$ 3,256,483</u>	20.03%

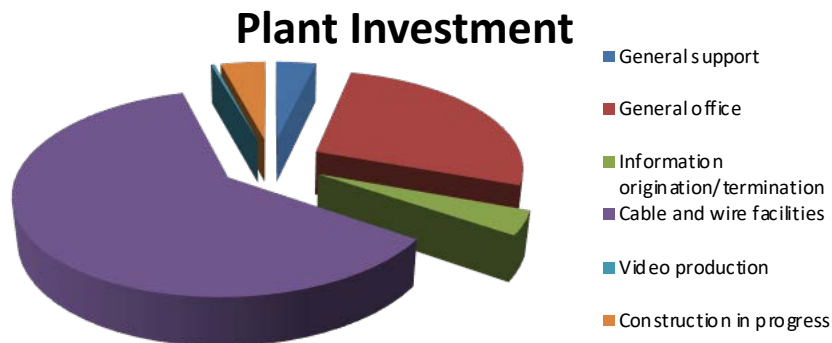
Operating revenues increased as follows:

1. Cable revenue increased by \$601 thousand but this is almost entirely a pass-through of programming costs.
2. Data revenues increased by \$1.1 million over 2021 as the Authority added 374 new data subscribers. In addition, customer demand for faster speeds increased the average revenue per subscriber.

CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND

Capital Assets

The following chart summarizes the Fund's capital assets for the year ended June 30, 2022. The changes are presented in detail in Note 3D to the financial statements. This investment in capital assets provides the infrastructure necessary to distribute telecommunication service to customers and to expand the system with customer growth.





CAPITAL ASSETS AND DEBT ADMINISTRATION - TELECOMMUNICATIONS FUND (Continued)

Debt Administration

The Fund has outstanding Revenue Bonds of \$20,000,000 as of June 30, 2022. The Fund has a note payable to the Electric Fund in the amount of \$5,500,000. Bond principal payments are due in the upcoming fiscal year in the amount of \$4,770,000 along with interest payments totaling \$648,400. As of June 30, 2022, debt service restricted assets total \$6,873,296 for the 2013 bond issue and note payable. Details relating to the outstanding debt can be found in Note 3E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES - TELECOMMUNICATIONS FUND

Highlights from the Fund's FY 2023 budget include:

- Sales projections of \$35,018,000.
- Cost of services projections of \$13,523,000.
- A projected rate increase of 10.6% for Cable only, due primarily to retransmission agreement increases from broadcasters.
- Customer projections of 21,811 by the end of the fiscal year.
- O&M projected expenditures of \$10,990,000.
- Capital expenditures of \$4,633,000.
- No additional bond issues are projected.
- Bond Debt Service Coverage Ratio of 1.83 will meet all bond compliance tests.

In planning for the next five years, the Telecommunications System's annual investments in new technology for customer growth drive capital requirements beyond the new budget year. Scheduled capital spending remains almost level over the four years beyond the budget, ranging from \$4.4 million to \$4.6 million annually. The largest cost continues to be customer installation labor and materials each year. Regular annual replacements of fiber-to-the-home equipment and headend equipment are planned to maintain quality and competitive services.

In order to preserve and grow market share, the System must continue to market its wide-ranging bandwidth capacity both within Madison County and through commercial growth and agreements with other electric utilities to provide wholesale telecommunications services. Competitive challenges from incumbent providers, pressure from escalating retransmission costs, and the demand for new technology and additional services will continue to put pressure on the System to maintain competitive rates.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning any information provided in this report or requests for any additional information should be directed to the Senior Vice President and Chief Financial Officer.



JACKSON ENERGY AUTHORITY STATEMENT OF NET POSITION AS OF JUNE 30, 2022

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
ASSETS							
Current assets:							
Cash and cash equivalents on deposit	\$ 48,659,120	\$ 34,759,581	\$ 10,715,180	\$ 24,344,726	\$ 8,580,743	\$ -	\$ 127,059,350
Temporary investments	4,612,947	5,146,698	482,031	-	-	-	10,241,676
Accounts receivable (net of allowance for uncollectibles)	14,311,454	1,973,243	1,506,463	1,644,875	2,491,793	-	21,927,828
Grants receivable	16,720	16,174	40,585	393,072	5,265	-	471,816
Accrued interest receivable	50,111	25,189	2,089	25,741	2,663	-	105,793
Materials and supplies	2,298,664	1,789,837	923,859	505,721	1,396,183	-	6,914,264
Prepayments and other current assets	6,613,538	188,251	213,198	261,492	451,262	-	7,727,741
Total current assets	76,562,554	43,898,973	13,883,405	27,175,627	12,927,909	-	174,448,468
Noncurrent assets:							
Restricted cash, cash equivalents, and investments:							
Debt service fund - investments	-	-	-	-	5,500,000	-	5,500,000
Debt service fund - cash and cash equivalents	626,189	135,003	1,255,588	2,323,111	1,373,296	-	5,713,187
Total restricted assets	626,189	135,003	1,255,588	2,323,111	6,873,296	-	11,213,187
Other assets:							
Investment - The Tennergy Corporation	-	4,788,244	-	-	-	-	4,788,244
Investment - Seven States Power Corporation	10,787	-	-	-	-	-	10,787
Investment - Central Services Association	27,146	23,856	18,098	13,162	-	-	82,262
Retainage account	-	-	-	42,291	-	-	42,291
Long-term notes receivable - interfund	5,500,000	-	-	-	-	(5,500,000)	-
Unrecovered purchased gas cost	-	2,027,780	-	-	-	-	2,027,780
Intellectual Property	-	-	-	5,033,258	-	-	5,033,258
Regulatory assets:							
Unamortized bond issuance costs	112,732	115,524	57,662	101,970	63,578	-	451,466
Unamortized expenditures (net of accumulated amortization of \$2,689,079 at June 30, 2022)	-	-	-	-	340,120	-	340,120
Total other assets	5,650,665	6,955,404	75,760	5,190,681	403,698	(5,500,000)	12,776,208
Capital assets:							
Plant in service and equipment - at cost	261,534,708	164,058,962	167,400,373	206,781,231	87,623,096	-	887,398,370
Add: Unamortized acquisition adjustment	143,108	-	-	-	-	-	143,108
Less: Accumulated depreciation	129,628,287	73,001,203	54,171,929	79,071,423	55,948,633	-	391,821,475
Net plant in service and equipment - at cost	132,049,529	91,057,759	113,228,444	127,709,808	31,674,463	-	495,720,003
Construction in progress at cost	5,190,964	5,269,354	3,114,977	5,934,113	1,357,484	-	20,866,892
Total capital assets (net of accumulated depreciation)	137,240,493	96,327,113	116,343,421	133,643,921	33,031,947	-	516,586,895
Total noncurrent assets	143,517,347	103,417,520	117,674,769	141,157,713	40,308,941	(5,500,000)	540,576,290
Total assets	\$ 220,079,901	\$ 147,316,493	\$ 131,558,174	\$ 168,333,340	\$ 53,236,850	\$ (5,500,000)	\$ 715,024,758
Deferred outflows of resources							
Deferred outflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ 3,815,126	\$ 2,718,325	\$ 2,397,459	\$ 2,335,164	\$ 1,961,196	\$ -	\$ 13,227,270
Difference between expected and actual experience	1,212,322	396,310	612,859	558,977	761,711	-	3,542,179
Assumption changes	4,822,926	3,018,679	2,582,462	2,391,420	2,137,041	-	14,952,528
Net difference between expected and actual earnings in plan investments	-	-	-	-	-	-	-
Unamortized debt refunding differences	351,215	109,099	558,206	905,515	1,189,316	-	3,113,351
Total deferred outflows of resources	\$ 10,201,589	\$ 6,242,413	\$ 6,150,986	\$ 6,191,076	\$ 6,049,264	\$ -	\$ 34,835,328

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
STATEMENT OF NET POSITION (Continued)
AS OF JUNE 30, 2022**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	ELIMINATING ENTRIES	TOTAL
LIABILITIES							
Current liabilities:							
Current portion of long-term notes payable	\$ 58,742	\$ -	\$ -	\$ 1,079,892	\$ -	\$ -	\$ 1,138,634
Accounts payable	23,796,444	5,423,065	322,218	1,660,395	1,229,336	-	32,431,458
Other accounts payable and accrued expense	2,283,057	270,052	291,784	193,992	1,748,661	-	4,787,546
Compensated absences estimated to be used next year	602,591	430,096	398,862	355,353	304,029	-	2,090,931
Gas supply imbalances	-	117,713	-	-	-	-	117,713
Total current liabilities	<u>26,740,834</u>	<u>6,240,926</u>	<u>1,012,864</u>	<u>3,289,632</u>	<u>3,282,026</u>	<u>-</u>	<u>40,566,282</u>
Current liabilities payable from restricted assets:							
Accrued revenue bond interest	152,283	54,890	32,917	21,319	170,281	-	431,690
Current maturities of long-term debt (net of discount of \$57,992 plus premiums of \$573,521 for the year ended June 30, 2022)	<u>3,026,177</u>	<u>1,068,447</u>	<u>2,267,085</u>	<u>2,049,359</u>	<u>4,749,462</u>	<u>-</u>	<u>13,160,530</u>
Total current liabilities payable from restricted assets	<u>3,178,460</u>	<u>1,123,337</u>	<u>2,300,002</u>	<u>2,070,678</u>	<u>4,919,743</u>	<u>-</u>	<u>13,592,220</u>
Noncurrent liabilities:							
Notes payable (net of current portion)	58,740	-	-	16,900,288	-	-	16,959,028
OPEB liability	2,367,382	3,159,989	1,931,589	2,830,880	1,562,500	-	11,852,340
Net pension liability	16,122,016	7,796,433	10,174,709	10,296,075	3,243,067	-	47,632,300
Compensated absences	793,393	437,199	396,908	347,313	323,378	-	2,298,191
Notes payable- interfund	-	-	-	-	5,500,000	(5,500,000)	-
Bonds payable (less current maturities, net of discount of \$347,813 and net premiums of \$2,034,332 for the year ended June 30, 2022)	23,215,779	16,537,787	6,055,250	15,354,184	15,173,519	-	76,336,519
Customer deposits	-	7,097,342	73,660	-	312,711	-	7,483,713
Total noncurrent liabilities	<u>42,557,310</u>	<u>35,028,750</u>	<u>18,632,116</u>	<u>45,728,740</u>	<u>26,115,175</u>	<u>(5,500,000)</u>	<u>162,562,091</u>
Total liabilities	<u>\$ 72,476,604</u>	<u>\$ 42,393,013</u>	<u>\$ 21,944,982</u>	<u>\$ 51,089,050</u>	<u>\$ 34,316,944</u>	<u>\$(5,500,000)</u>	<u>\$216,720,593</u>
Deferred inflows of resources							
Deferred inflows related to pension and other post-employment benefits							
Contributions subsequent to measurement date	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference between expected and actual experience	795,793	536,099	459,219	412,615	380,575	-	2,584,301
Assumption changes	3,486,936	2,390,142	2,041,024	1,816,227	1,637,905	-	11,372,234
Net difference between expected and actual earnings in plan investments	<u>6,806,798</u>	<u>4,605,975</u>	<u>4,000,872</u>	<u>3,595,189</u>	<u>3,433,060</u>	<u>-</u>	<u>22,441,894</u>
Total deferred inflows of resources	<u>\$ 11,089,527</u>	<u>\$ 7,532,216</u>	<u>\$ 6,501,115</u>	<u>\$ 5,824,031</u>	<u>\$ 5,451,540</u>	<u>\$ -</u>	<u>\$ 36,398,429</u>
NET POSITION							
Net investment in capital assets	\$ 110,881,056	\$ 78,720,879	\$108,021,087	\$ 98,260,198	\$ 7,608,967	\$ -	\$403,492,187
Restricted for debt service	473,906	80,113	1,222,671	2,301,792	6,703,015	-	10,781,497
Restricted for other	109,715	-	-	-	-	-	109,715
Unrestricted	<u>35,250,682</u>	<u>24,832,685</u>	<u>19,305</u>	<u>17,049,345</u>	<u>5,205,648</u>	<u>-</u>	<u>82,357,665</u>
Total net position	<u>\$ 146,715,359</u>	<u>\$103,633,677</u>	<u>\$109,263,063</u>	<u>\$117,611,335</u>	<u>\$ 19,517,630</u>	<u>\$ -</u>	<u>\$496,741,064</u>
Total Liabilities and net assets	<u>\$ 230,281,490</u>	<u>\$153,558,906</u>	<u>\$137,709,160</u>	<u>\$174,524,416</u>	<u>\$ 59,286,114</u>	<u>\$(5,500,000)</u>	<u>\$749,860,086</u>

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Operating revenues:						
Charges for sales and services	\$148,003,527	\$ 42,891,753	\$ 18,835,866	\$ 21,150,696	\$34,863,072	\$265,744,914
Other revenue	3,723,874	-	-	-	-	3,723,874
Total operating revenues	<u>151,727,401</u>	<u>42,891,753</u>	<u>18,835,866</u>	<u>21,150,696</u>	<u>34,863,072</u>	<u>269,468,788</u>
Operating expenses:						
Cost of sales and services	116,559,891	22,548,997	-	-	13,292,944	152,401,832
Operations expense	8,545,644	7,070,482	6,710,566	6,817,627	8,726,574	37,870,893
Maintenance expense	4,419,410	1,363,541	1,782,446	2,190,107	-	9,755,504
Provision for depreciation	9,070,447	4,573,312	3,501,825	3,871,734	7,067,037	28,084,355
Amortization	211,679	-	-	969,287	-	1,180,966
Payroll taxes	442,203	306,145	280,244	267,217	277,014	1,572,823
Other taxes	-	-	-	-	668,507	668,507
Payment in lieu of taxes	4,193,266	1,598,423	193,684	216,235	393,308	6,594,916
Total operating expenses	<u>143,442,540</u>	<u>37,460,900</u>	<u>12,468,765</u>	<u>14,332,207</u>	<u>30,425,384</u>	<u>238,129,796</u>
Operating income (loss)	<u>8,284,861</u>	<u>5,430,853</u>	<u>6,367,101</u>	<u>6,818,489</u>	<u>4,437,688</u>	<u>31,338,992</u>
Nonoperating revenues (expenses):						
Interest and other income	313,985	106,160	29,202	71,987	79,363	600,697
Interest, amortization, and other expense	(852,316)	(585,392)	(384,996)	(668,768)	(1,287,130)	(3,778,602)
Gain (loss) on disposition of capital assets	6,186	523	4,039	53,874	-	64,622
Total nonoperating revenues (expenses)	<u>(532,145)</u>	<u>(478,709)</u>	<u>(351,755)</u>	<u>(542,907)</u>	<u>(1,207,767)</u>	<u>(3,113,283)</u>
Contributions						
Capital contributions	<u>651,488</u>	<u>142,312</u>	<u>817,052</u>	<u>3,192,297</u>	<u>26,562</u>	<u>4,829,711</u>
Change in net position	8,404,204	5,094,456	6,832,398	9,467,879	3,256,483	33,055,420
Total net position - beginning	<u>138,311,155</u>	<u>98,539,221</u>	<u>102,430,665</u>	<u>108,143,456</u>	<u>16,261,147</u>	<u>463,685,644</u>
Total net position - ending	<u>\$146,715,359</u>	<u>\$103,633,677</u>	<u>\$109,263,063</u>	<u>\$117,611,335</u>	<u>\$19,517,630</u>	<u>\$496,741,064</u>

The accompanying notes to the financial statements are an integral part of this statement.



JACKSON ENERGY AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash flows from operating activities:						
Receipts from customers and users	\$149,745,212	\$ 42,693,351	\$ 18,785,004	\$ 21,659,533	\$ 35,448,122	\$ 268,331,222
Payments to suppliers	(121,780,799)	(25,550,343)	(5,419,009)	(5,595,357)	(19,296,631)	(177,642,139)
Payments to employees	(8,303,696)	(5,667,720)	(4,932,536)	(4,471,131)	(4,015,960)	(27,391,043)
Payment of taxes and in lieu of taxes	(4,635,468)	(1,904,568)	(473,928)	(483,452)	(1,338,830)	(8,836,246)
Net cash provided (used) by operating activities	<u>15,025,249</u>	<u>9,570,720</u>	<u>7,959,531</u>	<u>11,109,593</u>	<u>10,796,701</u>	<u>54,461,794</u>
Cash flows from capital and related financing activities						
Construction and acquisition of plant	(8,844,405)	(7,998,001)	(7,991,856)	(5,279,413)	(3,362,627)	(33,476,302)
Other plant activity including removal cost and salvage	(517,371)	(80,592)	(64,366)	(1,110,030)	(132,860)	(1,905,219)
Contributions in aid	651,488	142,312	817,052	3,192,297	26,562	4,829,711
Principal paid on bonds	(2,735,000)	(900,000)	(1,990,000)	(1,945,000)	(4,635,000)	(12,205,000)
Principal paid on notes	(91,076)	-	-	(1,071,108)	-	(1,162,184)
Interest expense	(997,477)	(697,280)	(444,724)	(472,133)	(966,135)	(3,577,749)
Net cash provided (used) by capital and relating financing activities	<u>(12,533,841)</u>	<u>(9,533,561)</u>	<u>(9,673,894)</u>	<u>(6,685,387)</u>	<u>(9,070,060)</u>	<u>(47,496,743)</u>
Cash flows from investing activities:						
Net (purchase) reduction of investments	1,655,092	604,555	(239,094)	777,521	-	2,798,074
Interest earned	326,847	(28,173)	27,221	83,053	83,790	492,738
Net cash provided (used) by investing activities	<u>1,981,939</u>	<u>576,382</u>	<u>(211,873)</u>	<u>860,574</u>	<u>83,790</u>	<u>3,290,812</u>
Net increase (decrease) in cash and cash equivalents	<u>4,473,347</u>	<u>613,541</u>	<u>(1,926,236)</u>	<u>5,284,780</u>	<u>1,810,431</u>	<u>10,255,863</u>
Cash and cash equivalents - beginning of year	<u>44,811,962</u>	<u>34,281,043</u>	<u>13,897,004</u>	<u>21,383,057</u>	<u>13,643,608</u>	<u>128,016,674</u>
Cash and cash equivalents - end of year	<u>\$ 49,285,309</u>	<u>\$ 34,894,584</u>	<u>\$ 11,970,768</u>	<u>\$ 26,667,837</u>	<u>\$ 15,454,039</u>	<u>\$ 138,272,537</u>

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

	ELECTRIC FUND	GAS FUND	WATER FUND	WASTE- WATER FUND	TELECOMM- UNICATIONS FUND	TOTAL
Cash and cash equivalents:						
Unrestricted cash and cash equivalents on deposit	\$ 48,659,120	\$ 34,759,581	\$ 10,715,180	\$24,344,726	\$ 8,580,743	\$127,059,350
Debt service fund - cash and cash equivalents	626,189	135,003	1,255,588	2,323,111	1,373,296	5,713,187
Debt service fund investment - cash and cash equivalents	-	-	-	-	5,500,000	5,500,000
Total cash and cash equivalents	<u>\$ 49,285,309</u>	<u>\$ 34,894,584</u>	<u>\$ 11,970,768</u>	<u>\$26,667,837</u>	<u>\$ 15,454,039</u>	<u>\$138,272,537</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 8,284,861	\$ 5,430,853	\$ 6,367,101	\$ 6,818,489	\$ 4,437,688	\$ 31,338,992
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	9,070,447	4,573,312	3,501,825	3,871,734	7,067,037	28,084,355
Amortization	211,679	-	-	969,287		1,180,966
Depreciation charged to transportation clearing	472,799	255,943	244,338	287,459	182,316	1,442,855
(Increase) decrease in accounts receivable	(1,994,096)	(405,743)	(73,712)	508,837	(3,335)	(1,968,049)
(Increase) decrease in materials and supplies	(542,639)	(456,144)	(127,436)	(319,770)	(569,734)	(2,015,723)
(Increase) decrease in prepayments and other current assets	(1,073,900)	(26,923)	(9,603)	(12,367)	37,515	(1,085,278)
(Increase) decrease in other assets	1,185,021	1,359,197	718,084	567,938	884,345	4,714,585
Increase (decrease) unrecovered purchased gas cost	-	(1,730,330)	-	-	-	(1,730,330)
Increase (decrease) in accounts payable	3,700,664	3,186,785	(55,302)	927,027	4,397	7,763,571
Increase (decrease) in other accounts payable and accrued expenses	102,169	26,362	28,071	28,033	376,802	561,437
Increase (decrease) in other noncurrent liabilities	(4,391,756)	(3,212,869)	(2,656,685)	(2,537,074)	(1,609,830)	(14,408,214)
Increase (decrease) in customer deposits	-	570,277	22,850	-	(10,500)	582,627
Net cash provided (used) by operating activities	<u>\$ 15,025,249</u>	<u>\$ 9,570,720</u>	<u>\$ 7,959,531</u>	<u>\$11,109,593</u>	<u>\$ 10,796,701</u>	<u>\$ 54,461,794</u>
Non-cash disclosure:						
Contributed capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,909</u>	<u>\$ 445,485</u>	<u>\$ -</u>	<u>\$ 822,394</u>

The accompanying notes to the financial statements are an integral part of this statement.



**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2022**

ASSETS

Investments:

Equity mutual funds	\$ 25,422,155
Fixed income mutual funds	16,934,431
Money market funds	520,802
Accrued income	<u>35,143</u>
Total investments	<u>42,912,531</u>

Net assets available for benefits	42,912,531
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LIABILITIES AND NET POSITION

LIABILITIES - Due to Other Funds	<u>175,157</u>
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Net position restricted for OPEB benefits	<u><u>\$ 42,737,374</u></u>
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**JACKSON ENERGY AUTHORITY
OPEB PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

Additions

Contributions	
Employer and retiree	\$ 2,790,004
Investment income	
Interest and dividends	968,015
Realized (losses)/gains	82,000
Unrealized (losses)/gains	<u>(8,869,590)</u>
Net investment income	<u>(7,819,575)</u>
 Total additions	 <u>(5,029,571)</u>

Deductions

Investment management fees	31,143
Trustee/Custody fees	31,056
Benefits	3,673,140
Actuarial Fees	<u>20,900</u>
Total deductions	<u>3,756,239</u>

Net decrease in fiduciary net position (8,785,810)

Net position restricted for OPEB benefits, beginning of year 51,523,184

Net position restricted for OPEB benefits, end of year \$ 42,737,374



**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2022**

ASSETS

Investments:

Equity mutual funds	\$ 87,363,946
Fixed income mutual funds	52,427,010
Contracts and annuities	5,811,749
Money market funds	<u>1,730,021</u>
Total investments	<u>147,332,726</u>

Accrued income	<u>126,263</u>
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Net assets available for benefits	147,458,989
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LIABILITIES AND NET POSITION

LIABILITIES	<u>\$ -</u>
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Net position restricted for pension benefits	<u><u>\$ 147,458,989</u></u>
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**JACKSON ENERGY AUTHORITY
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

Additions

Contributions

Employer and employee	\$	11,488,898
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Investment income

Interest income		3,623,158
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Realized (losses)/gains		412,133
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Unrealized (losses)/gains		(26,991,655)
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Net investment income		<u>(22,956,364)</u>
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Total additions		<u>(11,467,466)</u>
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Deductions

Benefits payments		10,322,688
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Investment management fees		-
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Trustee/Custody fees		98,421
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Other fees and expenses		<u>35,845</u>
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Total deductions		<u>10,456,954</u>
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Net decrease in fiduciary net position		(21,924,420)
--	--	--------------

Net position restricted for pension benefits, beginning of year		<u>169,383,409</u>
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Net position restricted for pension benefits, end of year	\$	<u><u>147,458,989</u></u>
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**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2022**

ASSETS

Cash and cash equivalents	\$ 8,634,051
Due from OPEB Trust	175,157
Accrued interest	<u>7,811</u>

Net assets available for benefits	8,817,019
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LIABILITIES AND NET POSITION

LIABILITIES	<u>\$ -</u>
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Net position restricted for health benefits	<u><u>\$ 8,817,019</u></u>
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**JACKSON ENERGY AUTHORITY
HEALTH AND WELFARE BENEFITS PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

Additions

Contributions

Employer and employee	\$	3,257,810
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Investment income

Interest and dividends		200,931
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Net investment income		<u>200,931</u>
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Total additions		<u>3,458,741</u>
-----------------	--	------------------

Deductions

Benefit payments		4,292,975
------------------	--	-----------

Other fees and expenses		<u>1,644</u>
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Total deductions		<u>4,294,619</u>
------------------	--	------------------

Net decrease in fiduciary net position		(835,878)
--	--	-----------

Net position restricted for health benefits, beginning of year		<u>9,652,897</u>
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Net position restricted for health benefits, end of year	\$	<u><u>8,817,019</u></u>
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JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Jackson Energy Authority (Authority) was formed July 1, 2001, pursuant to Chapter No. 55 of the Private Acts, 2001 cited as the Jackson Energy Authority Act and, as such, is a political subdivision of the State of Tennessee. The legislation creating the Authority amended the acts that established the Jackson Utility Division. The Authority was created as a separate legal entity for the purpose of planning, acquiring, constructing, improving, furnishing, equipping, financing, owning, operating, and maintaining electric, gas, water, wastewater, and telecommunications utility systems within or outside the corporate limits of the City of Jackson, Tennessee; and other such utility systems, such as a municipal water, wastewater, gas, telecommunications, or electric utility as authorized by the general laws of the State of Tennessee to own or operate. Upon creation of the Authority, the City of Jackson was authorized to transfer to the Authority all its rights, title and interest in and to all assets operated for the City by Jackson Utility Division. The accompanying financial statements present the financial position, results of operations and cash flows of Jackson Energy Authority as of and for the period ended June 30, 2022.

The Authority is reported as a discretely presented component unit in the financial statements of the City of Jackson, Tennessee. This presentation is required due to the City's guarantee of bonds issued by the Telecommunications Fund.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's proprietary fund types and fiduciary funds are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the Authority conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the enterprise fund's principal ongoing operations. The principal operating revenues of the Authority are charges for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Authority reports the electric, gas, water, wastewater, and telecommunication funds as major proprietary funds. Each fund provides distribution services for their respective operations as described below:

Electric System Fund – The Electric System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

system for the furnishing of electrical service and to provide electric service to any person, governmental entity, or other user or consumer of electrical services.

Gas System Fund – The Gas System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of gas and related products and to provide gas service to any person, governmental entity, or other user or consumer of gas services.

Water System Fund – The Water System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of water and related products and to provide water service to any person, governmental entity, or other user or consumer of water services.

Wastewater System Fund – The Wastewater System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of wastewater and related services and to provide wastewater service to any person, governmental entity, or other user or consumer of wastewater services.

Telecommunication System Fund – The Telecommunication System Fund was created to acquire, construct, improve, furnish, equip, finance, own, operate, and maintain within or outside the corporate limits of the City of Jackson, a system for the furnishing of telecommunications and related services and to provide telecommunications service for any person, governmental entity, or other user or consumer of telecommunication services.

The Authority reports the Jackson Energy Authority OPEB Plan Fund, the Jackson Energy Authority Retirement Fund and the Health and Welfare Benefits Fund as major fiduciary funds. Each fund provides post-employment compensation as well as current health benefits as outlined below:

Jackson Energy Authority OPEB Plan Fund - The Jackson Energy Authority OPEB Plan Fund was established to allow Jackson Energy Authority to fund post-employment benefits associated with retiree health and life insurance.

Jackson Energy Authority Retirement Plan Fund – The Jackson Energy Authority Retirement Plan Fund was established to allow Jackson Energy Authority to fund post-employment retirement compensation for full-time employees hired prior to January 1, 2014.

Health and Welfare Benefits Fund - The Health and Welfare Benefits Fund was established to allow Jackson Energy Authority to fund benefits associated with employee and retiree health costs.

C. Assets, Liabilities, and Net Position

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Authority restricts its investments to the types of investments authorized by the State of Tennessee.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Deposits and Investments (Continued)

The Public Act creating the Authority authorizes the following investments:

- (1) Direct obligations of the United States government or any of its agencies;
- (2) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;
- (3) Certificates of deposit and other evidences of deposit at state- and federally-chartered banks, savings and loan institutions or savings banks deposited and collateralized;
- (4) Repurchase agreements entered into with the United States or its agencies or with any bank, broker-dealer, or other such entity so long as the obligation of the obligated party is secured by perfected pledge of full faith and credit obligations of the United States or its agencies;
- (5) Guaranteed investment contracts or similar agreements providing for a specified rate of return over a specified period of time with entities rated in one of the two highest rating categories of a nationally recognized rating agency;
- (6) The local government investment pool;
- (7) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers and rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations; or
- (8) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by, or on behalf of, the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of the principal and interest of such obligations, rated in either of the two highest rating categories by a nationally recognized rating agency of such obligations.

Investments in all fiduciary funds are recorded at cost and later adjusted to fair market value through the recognition of unrealized gains or losses. Interest, dividends and realized gains or losses are recorded when the transactions occur.

Accounts Receivable

Trade receivables result from unpaid billings for service to customers and from unpaid billings related to work performed for or materials sold to certain entities. All trade receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible customer accounts recorded by the Authority is based on past history of uncollectible accounts and management's analysis of current accounts.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Unbilled Revenues

The Electric Fund's customers are spread across twenty-two billing cycles. Each cycle can range from twenty-five to thirty-five days. The summation of these twenty-two cycles represents a revenue month. Billing cycles do not correspond to a calendar month and, thus, have days that fall into two or more calendar months. Revenue is reported on a calendar month basis. Unbilled revenue represents management's calculation of the revenue earned for days of service that have not been billed as of year-end.

Inventories and Prepaid Items

All inventories are valued at weighted-average cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Restricted Assets

Certain resources set aside for the repayment of bond principal and interest are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants or by resolutions pass by the Authority's Board of Directors. The Authority elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

Capital Assets

Capital assets, which include property, plant, equipment, and construction in progress, are defined by the Authority as assets with an initial, individual cost of more than \$2,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Authority are depreciated using the straight-line method over the following useful lives:

General plant	3 - 40 years
Transmission plant	28 - 33 years
Distribution plant	16 - 66 years

Compensated Absences

The Authority grants annual leave and sick leave based on longevity of service. Employees may accumulate up to 280 hours of annual leave, which is fully vested. Up to 160 hours of unused annual leave is paid to the employee's 401(a) account at retirement. Employees are not vested in sick leave until retirement at which



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Compensated Absences (Continued)

time 30 percent of accumulated sick leave is paid to the employee's 401(a) account. The remaining 70 percent of the employee's accumulated sick leave is credited to the employee's number of years of service. The amount of such additional credit shall be determined by dividing such sick leave hours by 2,080 hours. In no event may such additional credit exceed one additional year of service, with each such day deemed equal to eight (8) hours. A liability of \$4,389,122 has been accrued for the year ended June 30, 2022, for compensated absences earned to date and has been reported under long-term liabilities as it is not readily determinable how much leave will be taken in the next year.

Long-term Obligations

Because Jackson Energy Authority includes bond premiums, discounts and issuance costs in its rate setting, the Authority has adopted the practice of amortizing these costs. Bond premiums and discounts, as well as issuance costs, are amortized over the life of the bonds using the effective interest or straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as regulatory assets and amortized over the term of the related debt.

Impact of Recently Issued Accounting Pronouncements

In June of 2017, the GASB issued Statement No. 87. Leases improves accounting and financial reporting by state and local governments for leases and is effective for fiscal years beginning after June 15, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This implementation resulted in no impact on the current year or prior year financial statements.

Net Position

Equity is classified as net position and displayed in the following three components:

- Net Investment in capital assets– consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- Restricted – consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, and enabling legislation, including self-imposed legal mandates, less any related liabilities.
- Unrestricted – all other net position that does not meet the description of the above categories.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, and Net Position (Continued)

Deferred outflow/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflows of resources for unamortized debt refunding differences, and deferred outflows related to pension and OPEB.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (expense reduction) until that time. The Authority has only two types of items that qualify for reporting in this category: deferred inflows related to pension and OPEB.

Pensions

For purposes of measuring the net position, liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Jackson Energy Authority's participation in the Jackson Energy Authority Retirement Plan, and additions to/deductions from Jackson Energy Authority's fiduciary net position have been determined on the same basis as they are reported by Jackson Energy Authority's Retirement Plan. Benefits including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms of the Jackson Energy Authority Retirement Plan. Investments are reported at fair value.

Other Post - Employment Benefits (OPEB)

For purposes of measuring the net position, liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Jackson Energy Authority's participation in the Jackson Energy Authority OPEB Plan, and additions to/deductions from Jackson Energy Authority's fiduciary net position have been determined on the same basis as they are reported by Jackson Energy Authority's OPEB Plan. Benefits are recognized when due and payable in accordance with the benefit terms of the Jackson Energy Authority OPEB Plan. Investments are reported at fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Authority adopts annual operating and capital budgets. Budgets are adopted on a basis consistent with generally accepted accounting principles. The current operating budget details the Authority's plans to collect and expend funds for operation, maintenance, interest, certain general functions, and other charges for the fiscal year. The capital budget details plans to receive and expend cash basis capital contribution fees and funds from special assessments, grants, borrowings, and other revenues for capital projects.

All unexpended appropriations in the operating and capital budget remaining at the end of the fiscal year lapse. Management submits a proposed budget to the Board to be adopted prior to the beginning of next fiscal year.

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

In February 2015, the GASB issued Statement No. 72 — Fair Value Measurement and Application which provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. The requirements of this Statement enhanced comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also enhanced fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

As of June 30, 2022, the Authority had the following investments. Fair market values are based on Level 1 inputs:

	<u>Cost</u>	<u>Fair Value</u>
Temporary Investments		
Electric Fund		
Colorado Brd of Gvnrs	\$ 251,062	\$ 250,313
Hidalgo Cnty TX	400,577	400,484
Kansas ST Dev Fin Auth	1,000,000	999,360
Memphis Shelby Cnty TN	508,420	495,455
Met Govt Nashville & Davidson Cnty	659,467	656,676
Tennessee ST Sch Bond Auth	1,002,259	1,000,660
Upper Oconee Basin GA Wtr Auth	810,000	810,000
	<u>\$ 4,631,786</u>	<u>\$ 4,612,947</u>
Gas Fund		
Hampton VA	507,077	503,490
Houston TX Util Sys	1,124,014	1,090,169
Memphis Shelby Cnty TN Indl Dev Brd Rev	505,764	495,455
New York ST Urban Dev Corp	1,014,663	991,790
Simmons Bank CD	1,000,000	1,000,000
U.S. Treasury Notes	497,632	494,297
Wright Cnty MN	579,840	571,497
	<u>\$ 5,228,991</u>	<u>\$ 5,146,698</u>
Water Fund		
U.S. Treasury Notes	<u>495,605</u>	<u>482,031</u>
	<u>\$ 495,605</u>	<u>\$ 482,031</u>



**JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022**

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments(Continued)

Telecommunications Fund

The Telecommunications Fund also has investments in the debt service funds, which are restricted. See Note 4F for discussion of debt service funds and related investments.

	Cost	Fair Value
Jackson Energy Authority OPEB Plan Fund		
Fixed Income Mutual Funds	\$ 16,697,208	\$ 16,934,431
Equity Mutual Funds	20,929,966	25,422,155
Money Market Funds	1,164,158	520,802
	<u>\$ 38,791,332</u>	<u>\$ 42,877,388</u>
Jackson Energy Authority Retirement Plan Fund		
Equity Mutual Funds	\$ 66,117,360	\$ 87,363,946
Fixed Income Mutual Funds	52,741,846	52,427,010
Contracts and Annuities	8,071,176	5,811,749
Money Market Funds	2,826,658	1,730,021
	<u>\$ 129,757,040</u>	<u>\$ 147,332,726</u>

The following fair values are based on Level 2 inputs:

	Cost	Fair Value
Other Investments		
Electric Fund		
Seven States Power Corporation	10,787	10,787
Central Services Association	3,007	27,146
	<u>\$ 13,794</u>	<u>\$ 37,933</u>
Gas Fund		
Tennergy Corporation	257,000	4,788,244
Central Services Association	2,642	23,856
	<u>\$ 259,642</u>	<u>\$ 4,812,100</u>
Water Fund		
Central Services Association	<u>\$ 2,005</u>	<u>\$ 18,098</u>
Wastewater Fund		
Central Services Association	<u>\$ 1,458</u>	<u>\$ 13,162</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments(Continued)

Custodial Credit Risk

The Authority's policies limit deposits and investments to those instruments allowed by applicable state laws and described in Note 1C. State statute requires that all deposits with financial institutions be collateralized. Financial institutions may achieve the requisite collateralization through participation in the Tennessee Bank Collateral Pool. Deposits at non-participating financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. Collateral must be held by the Authority's agent in the Authority's name, or by Federal Reserve Banks acting as third party agents. State statutes authorize the Authority to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state-chartered banks and savings and loan associations and federally- chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2022, none of the Authority's deposits were exposed to custodial credit risk.

Pension and OPEB Money-Weighted Returns

For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 21.81 and 2.87 percent, respectively. The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense was 21.97 and 7.34 percent for the years ended June 30, 2022 and 2021 respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested. The Plans categorize their fair value measurement within the fair value hierarchy established by generally accepted accounting principles.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Authority receivables as of the fiscal year end were made up of the following:

Electric Fund

Billed services for utility customers	\$ 14,711,406
Allowance for doubtful accounts	<u>(399,952)</u>
	<u>\$ 14,311,454</u>

Gas Fund

Billed services for utility customers	2,105,914
Allowance for doubtful accounts	<u>(132,671)</u>
	<u>\$ 1,973,243</u>

Water Fund

Billed services for utility customers	1,598,701
Allowance for doubtful accounts	<u>(92,238)</u>
	<u>\$ 1,506,463</u>

Wastewater Fund

Billed services for utility customers	1,715,398
Allowance for doubtful accounts	<u>(70,523)</u>
	<u>\$ 1,644,875</u>

Telecommunications Fund

Billed services for utility customers	2,699,006
Allowance for doubtful accounts	<u>(207,213)</u>
	<u>\$ 2,491,793</u>

Total Receivables	<u><u>\$ 21,927,828</u></u>
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JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

C. Restricted Assets

Authority restricted assets for the fiscal year end was made up of the following:

Electric Fund	
Cash and cash equivalents - debt service fund	\$ 626,189
	<u>\$ 626,189</u>
Gas Fund	
Cash and cash equivalents - debt service fund	135,003
	<u>\$ 135,003</u>
Water Fund	
Cash and cash equivalents - debt service fund	1,255,588
	<u>\$ 1,255,588</u>
Wastewater Fund	
Cash and cash equivalents - debt service fund	2,323,111
	<u>\$ 2,323,111</u>
Telecommunications Fund	
Cash and cash equivalents - debt service fund	1,373,296
Investments - debt service reserve account	5,500,000
	<u>\$ 6,873,296</u>
Total Restricted Assets	<u><u>\$ 11,213,187</u></u>

The total of these funds is represented by bank accounts and security purchases held by First Bank, LGIP, Robert W. Baird & Co. Inc., Truist Securities and Bank of Jackson.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Electric Fund

Electric Fund capital asset activity during the year ended June 30, 2022, was as follows:

Description	Balance at June 30, 2021	Additions	Disposals (Net of Salvage)	Balance at June 30, 2022
Capital assets, not being depreciated				
Transmission plant	\$ 371,679	\$ -	\$ -	\$ 371,679
Distribution plant	745,176	-	-	745,176
General plant	973,231	-	29,660	943,571
Construction in progress	<u>5,824,341</u>	<u>(633,377)</u>	<u>-</u>	<u>5,190,964</u>
Total capital assets not being depreciated	<u>7,914,427</u>	<u>(633,377)</u>	<u>29,660</u>	<u>7,251,390</u>
Capital assets, being depreciated				
Transmission plant	27,856,635	341,416	115,318	28,082,733
Distribution plant	203,508,531	7,808,414	4,456,275	206,860,670
General plant	<u>24,164,183</u>	<u>1,327,952</u>	<u>961,256</u>	<u>24,530,879</u>
Total capital assets being depreciated	<u>255,529,349</u>	<u>9,477,782</u>	<u>5,532,849</u>	<u>259,474,282</u>
Less accumulated depreciation for				
Transmission plant	14,834,859	916,875	136,950	15,614,784
Distribution plant	95,789,189	7,554,733	5,072,697	98,271,225
General plant	<u>15,636,901</u>	<u>1,071,638</u>	<u>966,261</u>	<u>15,742,278</u>
Total accumulated depreciation	<u>126,260,949</u>	<u>9,543,246</u>	<u>6,175,908</u>	<u>129,628,287</u>
Total capital assets being depreciated, net	<u>129,268,400</u>	<u>(65,464)</u>	<u>(643,059)</u>	<u>129,845,995</u>
Unamortized acquisition adjustment	<u>354,787</u>	<u>-</u>	<u>211,679</u>	<u>143,108</u>
Total capital assets, net	<u>\$ 137,537,614</u>	<u>\$ (698,841)</u>	<u>\$ (401,720)</u>	<u>\$ 137,240,493</u>

Depreciation expense charged to operations amounted to \$9,070,447 for the fiscal year ended June 30, 2022.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Gas Fund

Gas Fund capital asset activity during the year ended June 30, 2022, was as follows:

Description	Balance at June 30, 2021	Additions	Disposals (Net of Salvage)	Balance at June 30, 2022
Capital assets, not being depreciated				
Production plant	\$ 42,387	\$ -	\$ -	\$ 42,387
Distribution plant	74,918	-	-	74,918
General plant	754,357	-	26,065	728,292
Construction in progress	<u>1,457,193</u>	<u>3,812,161</u>	<u>-</u>	<u>5,269,354</u>
Total capital assets not being depreciated	<u>2,328,855</u>	<u>3,812,161</u>	<u>26,065</u>	<u>6,114,951</u>
Capital assets, being depreciated				
Production plant	2,018,428	-	-	2,018,428
Distribution plant	139,606,932	3,605,420	429,674	142,782,678
General plant	<u>18,480,777</u>	<u>580,420</u>	<u>648,938</u>	<u>18,412,259</u>
Total capital assets being depreciated	<u>160,106,137</u>	<u>4,185,840</u>	<u>1,078,612</u>	<u>163,213,365</u>
Less accumulated depreciation for				
Production plant	2,013,869	623	-	2,014,492
Distribution plant	55,554,442	3,888,826	548,075	58,895,193
General plant	<u>11,789,430</u>	<u>939,806</u>	<u>637,718</u>	<u>12,091,518</u>
Total accumulated depreciation	<u>69,357,741</u>	<u>4,829,255</u>	<u>1,185,793</u>	<u>73,001,203</u>
Total capital assets being depreciated, net	<u>90,748,396</u>	<u>(643,415)</u>	<u>(107,181)</u>	<u>90,212,162</u>
Total capital assets, net	<u>\$ 93,077,251</u>	<u>\$ 3,168,746</u>	<u>\$ (81,116)</u>	<u>\$ 96,327,113</u>

Depreciation expense charged to operations amounted to \$4,573,312 for the fiscal year ended June 30, 2022.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Water Fund

Water Fund capital asset activity during the year ended June 30, 2022, was as follows:

Description	Balance at June 30, 2021	Additions	Disposals (Net of Salvage)	Balance at June 30, 2022
Capital assets, not being depreciated				
Source of supply plant	\$ 140,881	\$ -	\$ 6,681	\$ 134,200
Pumping plant	24,369	-	-	24,369
Treatment plant	104,029	-	-	104,029
Transmission & distribution plant	65,076	-	-	65,076
General plant	566,081	-	19,773	546,308
Construction in progress	<u>2,038,369</u>	<u>1,076,608</u>	<u>-</u>	<u>3,114,977</u>
Total capital assets not being depreciated	<u>2,938,805</u>	<u>1,076,608</u>	<u>26,454</u>	<u>3,988,959</u>
Capital assets, being depreciated				
Source of supply plant	4,111,234	684,025	219,679	4,575,580
Pumping plant	5,675,701	53,164	20,870	5,707,995
Treatment plant	10,402,049	31,911	29,865	10,404,095
Transmission & distribution plant	126,176,751	5,599,918	824,060	130,952,609
General plant	<u>14,842,636</u>	<u>546,230</u>	<u>502,754</u>	<u>14,886,112</u>
Total capital assets being depreciated	<u>161,208,371</u>	<u>6,915,248</u>	<u>1,597,228</u>	<u>166,526,391</u>
Less accumulated depreciation for				
Source of supply plant	2,155,522	235,287	219,679	2,171,130
Pumping plant	2,798,952	151,919	20,870	2,930,001
Treatment plant	7,965,929	248,285	29,865	8,184,349
Transmission & distribution plant	29,183,798	2,441,860	924,283	30,701,375
General plant	<u>10,013,652</u>	<u>668,811</u>	<u>497,389</u>	<u>10,185,074</u>
Total accumulated depreciation	<u>52,117,853</u>	<u>3,746,162</u>	<u>1,692,086</u>	<u>54,171,929</u>
Total capital assets being depreciated, net	<u>109,090,518</u>	<u>3,169,086</u>	<u>(94,858)</u>	<u>112,354,462</u>
Total capital assets, net	<u>\$112,029,323</u>	<u>\$ 4,245,694</u>	<u>\$ (68,404)</u>	<u>\$116,343,421</u>

Depreciation expense charged to operations amounted to \$3,501,825 for the fiscal year ended June 30, 2022.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets - Wastewater Fund

Wastewater Fund capital asset activity during the year ended June 30, 2022, was as follows:

Description	Balance at June 30, 2021	Additions	Disposals (Net of Salvage)	Balance at June 30, 2022
Capital assets, not being depreciated				
Pumping plant	\$ 27,324	\$ -	\$ -	\$ 27,324
Treatment plant	1,300,904	-	-	1,300,904
Transmission & distribution plant	279,656	-	-	279,656
General plant	358,666	-	14,381	344,285
Construction in progress	<u>17,007,266</u>	<u>(11,073,153)</u>	<u>-</u>	<u>5,934,113</u>
Total capital assets not being depreciated	<u>18,973,816</u>	<u>(11,073,153)</u>	<u>14,381</u>	<u>7,886,282</u>
Capital assets, being depreciated				
Source of supply plant	11,363,048	48,497	-	11,411,545
Pumping plant	18,277,485	3,368,541	361,106	21,284,920
Treatment plant	48,472,884	3,526,985	1,079,197	50,920,672
Transmission & distribution plant	101,171,224	8,329,772	553,987	108,947,009
General plant	<u>12,100,115</u>	<u>1,078,771</u>	<u>913,970</u>	<u>12,264,916</u>
Total capital assets being depreciated	<u>191,384,756</u>	<u>16,352,566</u>	<u>2,908,260</u>	<u>204,829,062</u>
Less accumulated depreciation for				
Source of supply plant	2,019,534	170,990	-	2,190,524
Pumping plant	9,128,188	613,930	360,559	9,381,559
Treatment plant	30,485,628	1,184,591	1,073,947	30,596,272
Transmission & distribution plant	28,926,011	1,579,813	1,524,493	28,981,331
General plant	<u>8,219,665</u>	<u>609,869</u>	<u>907,797</u>	<u>7,921,737</u>
Total accumulated depreciation	<u>78,779,026</u>	<u>4,159,193</u>	<u>3,866,796</u>	<u>79,071,423</u>
Total capital assets being depreciated, net	<u>112,605,730</u>	<u>12,193,373</u>	<u>(958,536)</u>	<u>125,757,639</u>
Total capital assets, net	<u>\$ 131,579,547</u>	<u>\$ 1,120,220</u>	<u>\$ (944,155)</u>	<u>\$133,643,921</u>

Depreciation expense charged to operations amounted to \$3,871,734 for the fiscal year ended June 30, 2022.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating, maintenance or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets – Telecommunications Fund

Telecommunications Fund capital asset activity during the year ended June 30, 2022, was as follows:

Description	Balance at June 30, 2021	Additions	Disposals (Net of Salvage)	Balance at June 30, 2022
Capital assets not being depreciated				
Construction in progress - at cost	\$ 1,231,388	\$ 126,096	\$ -	\$ 1,357,484
Capital assets, being depreciated				
General support	5,559,825	70,017	219,099	5,410,743
General office	20,027,632	681,321	98,283	20,610,670
Information origination/termination	9,521,928	209,745	51,528	9,680,145
Cable & wire facilities	50,659,491	2,248,331	1,632,126	51,275,696
Video production	679,994	27,117	61,269	645,842
Total capital assets being depreciated	86,448,870	3,236,531	2,062,305	87,623,096
Less accumulated depreciation for:				
General support	4,031,179	379,945	219,099	4,192,025
General office	10,128,352	1,690,515	98,283	11,720,584
Information origination/termination	7,770,767	685,613	56,464	8,399,916
Cable & wire facilities	28,476,310	4,262,094	1,635,051	31,103,353
Video production	487,836	104,188	59,269	532,755
Total accumulated depreciation	50,894,444	7,122,355	2,068,166	55,948,633
Total capital assets, being depreciated, net	35,554,426	(3,885,824)	(5,861)	31,674,463
Total capital assets, net	\$ 36,785,814	\$(3,759,728)	\$ (5,861)	\$ 33,031,947

Depreciation expense charged to operations amounted to \$7,067,037 for the fiscal year ended June 30, 2022.

Depreciation expense does not include transportation plant that is charged to a transportation clearing account and then allocated to all funds as operating or capital expenses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund

Notes payable at June 30, 2022, consist of the following:

Southwest Tennessee Electric Membership Cooperative (SWTEMC)

Future maturities due SWTEMC are non-interest bearing notes related to annexation of customers and are payable in annual installments of various amounts. The notes are unsecured and there are no provisions in the agreements covering default, nor are there any provisions in the agreements covering subjective acceleration. Future maturities of notes payable – SWTEMC are as follows:

<u>Year ended June 30,</u>	<u>Direct Placement</u>
2023	58,742
2024	29,370
2025	29,370
Total	<u>\$ 117,482</u>

Principal on the Series 2014 Bonds is due annually on May 1; interest is due semi-annually on November 1 and May 1. Principal payments on the Series 2020 Bonds are due annually on May 1; semi-annual interest payments are due November 1 and May 1. The scheduled annual requirements for bonds payable at June 30, 2022, including interest are as follows:

<u>Years Ended</u>	<u>2014 Bonds Payable</u>		<u>2020 Bonds Payable</u>		<u>Total</u>	<u>Total</u>	<u>Total Debt</u>
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2023	\$ 1,450,000	\$ 840,475	\$ 1,365,000	\$ 73,220	\$ 2,815,000	\$ 913,695	\$ 3,728,695
2024	1,630,000	767,975	1,285,000	54,110	2,915,000	822,085	3,737,085
2025	1,660,000	686,475	1,355,000	36,120	3,015,000	722,595	3,737,595
2026	1,900,000	603,475	1,225,000	17,150	3,125,000	620,625	3,745,625
2027	3,230,000	508,475	-	-	3,230,000	508,475	3,738,475
2028-2030	7,680,000	696,925	-	-	7,680,000	696,925	8,376,925
2031-2033	2,480,000	162,825	-	-	2,480,000	162,825	2,642,825
	<u>\$20,030,000</u>	<u>\$4,266,625</u>	<u>\$ 5,230,000</u>	<u>\$ 180,600</u>	<u>\$25,260,000</u>	<u>\$4,447,225</u>	<u>\$29,707,225</u>

Electric System Revenue Refunding and Improvement Bonds, Series 2014 – On December 5, 2014, the Electric Fund issued \$27,120,000 Series 2014 Revenue Refunding Bonds to refinance the outstanding Series 2005 and Series 2008 Bonds, to finance the costs of making certain capital improvements to the System, and to pay costs incident to the issuance and sale of the Series 2014 Bonds.

The bonds were sold at a net original issue premium of \$3,271,645 which is being amortized over the life of the bonds using the effective interest method. \$4,941,456 and \$12,103,333 of bond proceeds were used to redeem the outstanding principal balances of the Series 2005 Bonds and the Series 2008 Bonds respectively.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Electric Fund (Continued)

The 2014 Bonds were issued as fixed-rate bonds. Bonds maturing on or before May 1, 2024, are not subject to early redemption. Serial bonds maturing on or after May 1, 2025, are subject to early redemption at the option of the Authority on May 1, 2024, and thereafter, in whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date. Term bonds maturing May 1, 2033, are subject to mandatory redemption, in part, on May 1, 2032, at a redemption price equal to 100% of the principal amount specified plus accrued interest to the redemption date. The outstanding principal balance on June 30, 2022, was \$20,030,000.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$138,329, which is reported as a deferred outflow of resources and charged to operations through fiscal year 2033 using the straight-line method in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Unamortized deferred cost of the Series 2014 bond refunding totaled \$81,371 as of June 30, 2022.

Electric System Revenue Refunding Bond, Series 2020 – On March 13, 2020, the Electric Fund issued a \$7,995,000 Revenue Refunding Bond, Series 2020, to refinance the outstanding \$7,995,000 Electric System Refunding Revenue Bonds, Series 2010, maturing on and after May 1, 2021. Total issuance costs of \$68,000 were paid from operating funds and are being amortized through fiscal year 2026 on a straight-line basis.

The Series 2020 Bond was issued as a private placement with an interest rate of 1.40%. The refunding resulted in an economic gain of \$639,247, representing the difference between the present values of the debt service payments on the old and new debt.

The Series 2020 Bond shall be subject to redemption, prior to maturity at the option of the Authority, on or after May 1, 2023 at a price of 100% of the par amount plus accrued interest to the redemption date. The Series 2020 Bond is to be redeemed in aggregate principal amounts equal to the respective dollar amounts set in the Bond Purchase Agreement. The outstanding principal balance on June 30, 2022 was \$5,230,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$422,365. This difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2026 using the straight-line method. Unamortized deferred cost of the Series 2020 bond refunding totaled \$269,844 as of June 30, 2022.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Electric Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Electric Fund (Continued)

The following is a summary of long-term liability transactions for the year ended June 30, 2022:

Description	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Notes payable (direct placement):					
SWTEMC	\$ 150,778		\$ (33,296)	\$ 117,482	\$ 58,742
TVA	57,780	-	(57,780)	-	-
Total notes payable	<u>208,558</u>	<u>-</u>	<u>(91,076)</u>	<u>117,482</u>	<u>58,742</u>
Revenue bonds payable:					
Series 2014	21,310,000	-	(1,280,000)	20,030,000	1,450,000
(Interest Rates 3.00% - 5.00%)					
Series 2020	6,685,000	-	(1,455,000)	5,230,000	1,365,000
(Interest Rates 1.40%)					
Less deferred amounts:					
Issuance (premiums) discounts	<u>1,210,753</u>	<u>-</u>	<u>(228,798)</u>	<u>981,955</u>	<u>211,177</u>
Net total revenue bonds payable	29,205,753	-	(2,963,798)	26,241,955	3,026,177
Compensated absences	<u>1,482,169</u>	<u>-</u>	<u>(86,185)</u>	<u>1,395,984</u>	<u>602,591</u>
Total long-term liabilities	<u>\$ 30,896,480</u>	<u>\$ -</u>	<u>\$ (3,141,059)</u>	<u>\$ 27,755,421</u>	<u>\$ 3,687,510</u>

The Electric Fund has no unused lines of credit.

Principal payments on the Series 2015 Gas Revenue Refunding and Improvement Bonds are due annually on June 1. Semi-annual interest on the Bonds is due June 1 and December 1. Scheduled annual requirements for bonds payable at June 30, 2022, including interest are:

Years Ended June 30,	2015 Bonds		Total Debt Service
	Principal	Interest	
2023	\$ 940,000	\$ 658,681	\$ 1,598,681
2024	970,000	630,481	1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027	1,100,000	498,881	1,598,881
2028-2030	4,395,000	1,101,643	5,496,643
2031-2033	4,220,000	560,293	4,780,293
2034-2035	<u>3,040,000</u>	<u>147,144</u>	<u>3,187,144</u>
	<u>\$ 16,715,000</u>	<u>\$ 4,749,885</u>	<u>\$ 21,464,885</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Gas Fund (Continued)

Gas System Revenue Refunding and Improvement Bonds, Series 2015 – On December 22, 2015, the Gas Fund issued \$21,240,000 Revenue Refunding and Improvement Bonds, Series 2015, to finance extensions and improvements to the System; to refund its outstanding Gas System Revenue Bonds, Series 2007, maturing on and after October 1, 2018, totaling \$3,270,000; to refund \$3,440,000 of its outstanding Gas System Refunding Revenue Bonds, Series 2009; and to pay costs of issuance of the Series 2015 Bonds. The bonds were sold at a net original issue premium of \$1,977,955 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Underwriter's discount and issuance costs totaled \$275,190.

The partial refunding resulted in a difference between the reacquisition price and the net carrying cost of the old debt of \$222,562. The difference is being charged to operations through fiscal year 2029 using the straight-line method. Unamortized deferred costs of the Series 2015 refunding totaled \$109,099 as of June 30, 2022.

The Series 2015 Bonds were issued as fixed-rate bonds. Bonds maturing on or before June 1, 2025, mature without option of prior redemption. Bonds maturing on June 1, 2026, and thereafter, are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part, on and after June 1, 2025, and anytime thereafter at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding principal balance on June 30, 2022, was \$16,715,000.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Gas Fund is in compliance with all significant limitations and restrictions.

The following is a summary of long-term liability transactions for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Revenue Bonds payable:					
Series 2015					
(Interest rates - 3.00% - 5.00%)	\$ 17,615,000	\$ -	\$ (900,000)	\$ 16,715,000	\$ 940,000
Less deferred amounts:					
Issuance premiums (discounts)	1,026,882	-	(135,648)	891,234	128,447
Total revenue bonds payable	18,641,882	-	(1,035,648)	17,606,234	1,068,447
Customer deposits	6,548,365	548,977	-	7,097,342	-
Compensated absences	924,771	-	(57,476)	867,295	430,096
	7,473,136	548,977	(57,476)	7,964,637	430,096
Total long-term liabilities	\$ 26,115,018	\$ 548,977	\$ (1,093,124)	\$ 25,570,871	\$ 1,498,543

The Gas Fund has no unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Water Fund

Principal payments on the Series 2017 Bonds are due annually on December 1. Semi-annual interest payments are due December 1 and June 1. Scheduled annual requirements for bonds payable at June 30, 2022, including interest are:

Years Ended June 30,	Series 2017 Bonds		Total Debt Service
	Principal	Interest	
2023	\$ 2,090,000	\$ 342,750	\$ 2,432,750
2024	2,195,000	235,625	2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	1,265,000	31,625	1,296,625
	<u>\$ 7,900,000</u>	<u>\$ 855,500</u>	<u>\$ 8,755,500</u>

Water System Refunding Revenue Bonds, Series 2017 - On December 7, 2017, the Water Fund issued \$15,285,000 Series 2017 Refunding Revenue Bonds to refinance the Water System Refunding Revenue Bonds, Series 2008, and the Water System Refunding Revenue Bonds, Series 2009, and to pay costs of issuance of the Series 2017 Bonds. The bonds were sold at an original issue premium of \$1,967,085 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Net bond proceeds were \$17,068,805 including the premium and after payment of \$183,280 in issuance costs. Net bond proceeds, escrow proceeds and debt service deposits totaling \$32,058,864 were used to redeem the outstanding Series 2008 and Series 2009 bonds.

The bonds were issued as bank-qualified, fixed-rate bonds. The bonds are not subject to optional redemption prior to maturity. The outstanding principal balance on June 30, 2022, was \$7,900,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,332,984 and is being charged to operations through fiscal year 2027 using the straight-line method. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2017 Bonds totaled \$558,206 as of June 30, 2022.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Water Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Water Fund (Continued)

The following is a summary of the Water Fund's long-term liability transactions for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Revenue Bonds payable:					
Series 2017	\$ 9,890,000	\$ -	\$ (1,990,000)	\$ 7,900,000	\$ 2,090,000
(Interest rate - 5.00%)					
Less deferred amounts:					
Issuance premiums (discounts)	655,869	-	(233,535)	422,334	177,085
Net total revenue bonds	<u>10,545,869</u>	<u>-</u>	<u>(2,223,535)</u>	<u>8,322,334</u>	<u>2,267,085</u>
Customer deposits	50,810	22,850	-	73,660	-
Compensated absences	<u>849,886</u>	<u>-</u>	<u>(54,116)</u>	<u>795,770</u>	<u>398,862</u>
	<u>900,696</u>	<u>22,850</u>	<u>(54,116)</u>	<u>869,430</u>	<u>398,862</u>
Total long-term liabilities	<u>\$ 11,446,565</u>	<u>\$ 22,850</u>	<u>\$ (2,277,651)</u>	<u>\$ 9,191,764</u>	<u>\$ 2,665,947</u>

The Water Fund has no unused lines of credit.

E. Long-term Debt - Wastewater Fund

Principal payments on the Series 2017 Bonds are due annually on December 1; semi-annual interest payments are due December 1 and June 1. Principal payments on the Series 2020 Bonds are due annually on June 1; semi-annual interest payments are due December 1 and June 1. Scheduled annual requirements for bonds payable at June 30, 2022, including interest are:

Years Ended	Series 2017 Bonds		Series 2020 Bonds		Total		
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2023	\$ 1,695,000	\$ 42,375	\$ 335,000	\$ 171,075	\$ 2,030,000	\$ 213,450	\$ 2,243,450
2024	-	-	1,650,000	169,903	1,650,000	169,903	1,819,903
2025	-	-	1,665,000	161,653	1,665,000	161,653	1,826,653
2026	-	-	1,670,000	150,830	1,670,000	150,830	1,820,830
2027	-	-	1,680,000	136,635	1,680,000	136,635	1,816,635
2028-2029	-	-	3,420,000	220,970	3,420,000	220,970	3,640,970
2030-2032	-	-	5,305,000	163,710	5,305,000	163,710	5,468,710
	<u>\$ 1,695,000</u>	<u>\$ 42,375</u>	<u>\$15,725,000</u>	<u>\$1,174,775</u>	<u>\$ 17,420,000</u>	<u>\$ 1,217,150</u>	<u>\$ 18,637,150</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

Scheduled annual requirements for loans (notes payable) at June 30, 2022, including interest are as follows:

Years Ended June 30,	Notes Payable*		Total
	Principal*	Interest	Debt Service
2023	\$ 1,079,892	\$ 165,624	\$ 1,245,516
2024	1,088,736	155,892	1,244,628
2025	1,097,724	146,052	1,243,776
2026	1,106,772	136,116	1,242,888
2027	1,115,928	126,060	1,241,988
2028-2031	4,557,312	401,604	4,958,916
2032-2035	4,677,122	231,968	4,909,090
2036-2038	2,610,775	62,648	2,673,423
2039-2041	645,919	9,468	655,387
	<u>\$ 17,980,180</u>	<u>\$ 1,435,432</u>	<u>\$ 19,415,612</u>

*Principal repayments on SRF 13-314 reflect a final loan amount of \$1,026 less than the total loan approved.

*Principal repayments on CG2 16-363 reflect a final loan amount of \$7,620 less than the total loan approved.

*Principal repayments on SRF 17-383 reflect a final loan amount of \$103,742 less than the total loan approved.

*Principal repayments on SRF 16-368 reflect a final loan amount of \$712,262 less than the total loan approved.

Wastewater System Refunding Revenue Bonds, Series 2017 - On December 7, 2017, the Wastewater Fund issued \$7,680,000 Series 2017 Refunding Revenue Bonds to refinance the Wastewater System Refunding Revenue Bonds, Series 2009, and to pay costs of issuance of the Series 2017 Bonds. The bonds were sold at an original issue premium of \$724,255 which is reported in the accompanying financial statements as an addition to long-term debt and is being amortized over the life of the bonds using the effective-interest method. Net bond proceeds were \$8,272,460 including the premium and after payment of \$131,795 in issuance costs. Net bond proceeds, escrow proceeds and debt service deposits totaling \$33,469,115 were used to redeem the outstanding Series 2009 bonds.

The bonds were issued as bank-qualified, fixed-rate bonds. The bonds are not subject to optional redemption prior to maturity. The outstanding principal balance on June 30, 2022, was \$1,695,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$758,957. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2023 using the straight-line method. Unamortized deferred cost of the Series 2017 Bonds totaled \$63,246 as of June 30, 2022.

Wastewater System Revenue Refunding Bonds, Series 2020 - On December 17, 2020, the Wastewater Fund issued \$16,220,000 Series 2020 Revenue Refunding Bonds to refinance the Wastewater System Revenue Bonds, Series 2012, to pay interest payments on two outstanding maturities before optional redemption, and to pay costs of issuance of the Series 2020 Bonds. The bonds were issued at face value. Net bond proceeds were \$15,992,123 after payment of \$227,877 in issuance costs. Net bond proceeds and escrow proceeds were used to redeem the outstanding Series 2012 bonds.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

Bonds are subject to optional redemption on June 1, 2029, and thereafter at a price of par. The outstanding principal balance on June 30, 2022, was \$15,725,000.

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$975,259. The difference is reported in deferred outflows of resources in the accompanying Statement of Net Position, and is being charged to operations through fiscal year 2032 using the straight-line method. Unamortized deferred cost of the Series 2020 Bonds totaled \$842,269 as of June 30, 2022.

CW0 2013-313 Revolving Fund Loan Agreement – On September 27, 2012, the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a \$2,150,000 loan to the Wastewater Fund to help finance wastewater collection system rehabilitation improvement projects. A portion of the loan totaling \$531,050 is considered principal forgiveness and does not have to be repaid. Interest on loan funds disbursed is calculated at a fixed rate of .34% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance.

Principal repayments began February 2015 before receiving the final loan funds in October 2015. Principal repayments are due monthly for a term of twenty (20) years with final repayment due January 2035. The outstanding loan balance at June 30, 2022, was \$1,031,354.

The loan is secured by \$83,868 on deposit with the State of Tennessee Local Government Investment Pool (LGIP). In the event of default, the Authority is referred to the Water, Wastewater Financing Board or the Utility Management Board. The Authority must implement any and all technical, management, fiscal and /or rate changes recommended by the Board in order for the Authority to fulfill its obligations under the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.

SRF 2013-314 Revolving Fund Loan Agreement - On September 27, 2012, the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a loan to the Wastewater Fund in the amount of \$5,000,000 for financing continued wastewater collection system rehabilitation projects. Interest on loan funds disbursed is calculated at a fixed rate of .34% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began in November 2013, following the first loan disbursement.

In October 2013, TLDA and TDEC approved an increase of \$3,953,352 in the loan previously approved. The total loan approved was \$8,953,352. Principal repayments began April 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due March 2037. The outstanding balance as of June 30, 2022, was \$6,660,821. Final funds were received in July 2017 and were \$1,026 less than the total approved.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

The loan is secured by \$463,068 on deposit with the LGIP. In the event of default, the Authority is referred to the Water, Wastewater Financing Board or the Utility Management Board. The Authority must implement any and all technical, management, fiscal and /or rate changes recommended by the Board in order for the Authority to fulfill its obligations under the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.

CG2 2016-363 Revolving Fund Loan Agreement – In October 2015 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a \$2,000,000 loan to the Wastewater Fund to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.43% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began December 2016, following the first loan disbursement.

Principal repayments began June 2017, and are due monthly. The term of the loan is twenty (20) years with final repayment due May 2037. Final funds were received in April 2018 at which time the loan was reduced by \$7,620 and principal repayments were recalculated and reduced. The outstanding loan balance at June 30, 2022, was \$1,538,330.

The loan is secured by \$114,576 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.

CG3 2016-361 Revolving Fund Loan Agreement – In April 2016 the TLDA and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$4,000,000 which is \$3,800,000 base and \$200,000 principal forgiveness. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.17% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began November 2016, following the first loan disbursement.

Principal repayments began March 2018 with final maturity February 2038. Final funds were received in August 2018. The outstanding loan balance at June 30, 2022, was \$3,050,340.

The loan is secured by \$213,188 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Wastewater Fund (Continued)

CG4 2016-362 Revolving Fund Loan Agreement – In April 2016 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$4,000,000 which is \$3,720,000 base and \$280,000 principal forgiveness. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.17% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began February 2018, following the first loan disbursement.

Principal repayments began July 2020 with final maturity June 2040. Final funds were received in February 2021. The outstanding loan balance at June 30, 2022, was \$3,385,678.

The loan is secured by \$208,700 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. As of June 30, 2022, there are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines.

SRF 2016-368 Revolving Fund Loan Agreement – In May 2016 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$2,000,000. Funds are to finance wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.25% per annum and is payable monthly. An administrative fee equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began October 2019, following the first loan disbursement.

Principal repayments began May 2021 with final maturity April 2041. Final funds were received in March 2021. The outstanding loan balance at June 30, 2022, was \$1,221,138.

The loan was originally secured by \$113,072 on deposit with the LGIP, but the deposit was reduced by \$40,268 in April 2021 for a new balance of \$72,804 as the amount of the loan was reduced by the unused portion. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.

SRF 2017-383 Revolving Fund Loan Agreement - In March 2017 the Tennessee Local Development Authority (TLDA) and the Tennessee Department of Environment and Conservation (TDEC) approved a Revolving Fund Loan Agreement for the Wastewater Fund for a total project cost of \$1,400,000. Funds are to finance continuation of wastewater collection system rehabilitation improvement projects. Interest on loan funds disbursed is calculated at a fixed rate of 1.55% per annum and is payable monthly. An administrative fee



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Wastewater Fund (Continued)

equal to .08% is payable monthly on the outstanding loan balance. Payment of interest and administrative fees began September 2017, following the first loan disbursement.

The term of the loan is twenty (20) years with final payment due November 2038. Principal repayments began December 2018, and are due monthly. Final funds were received in November 2017. The loan was reduced by \$103,742 due to funds not being used. The outstanding loan balance at June 30, 2022, was \$1,092,519.

The loan is secured by \$75,420 on deposit with the LGIP. Upon default, the TLDA may declare all unpaid principal and interest to be immediately due and payable as well as pursue all available legal and equitable remedies. Jackson Energy Authority shall be responsible for all costs of the TLDA incurred in enforcing provisions of the agreement after event of default, including but not limited to attorney's fees. There are no lender's subjective acceleration clauses in the agreement nor are there any unused credit lines at June 30, 2022.

All or any portion of any State Revolving Fund loan may be repaid by the Fund at any time without penalty. Each loan is a limited revenue obligation of the Fund, payable solely from and secured by a pledge of the Net Revenues of the Wastewater System on parity with other senior lien revenue obligations of the Wastewater Fund.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Wastewater Fund is in compliance with all significant limitations and restrictions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Wastewater Fund (Continued)

The following is a summary of long-term liability transactions for the fiscal year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Retirements*	Balance at June 30, 2022	Due Within One Year
Revenue Bonds payable:					
Series 2017 (Interest rate - 5%)	\$ 3,305,000	\$ -	\$ (1,610,000)	\$ 1,695,000	\$ 1,695,000
Series 2020 (Interest rate - 0.25% - 1.60%)	16,060,000	-	(335,000)	15,725,000	335,000
Less deferred amounts:					
Issuance premiums (discounts)	50,007	-	(66,464)	(16,457)	19,359
Net total revenue bonds payable	<u>19,415,007</u>	<u>-</u>	<u>(2,011,464)</u>	<u>17,403,543</u>	<u>2,049,359</u>
State Revolving Fund Loans:					
Direct Borrowing:					
CW0 2013-313 (Interest rate - .34%)	1,111,442	-	(80,088)	1,031,354	80,364
SRF 2013-314 (Interest rate - .34%)	7,100,429	-	(439,608)	6,660,821	441,108
CG3 2016-361 (Interest rate - 1.17%)	3,226,728	-	(176,388)	3,050,340	178,452
CG2 2016-363 (Interest rate - 1.43%)	1,630,190	-	(91,860)	1,538,330	93,192
CG4 2016-362 (Interest rate - 1.17%)	3,553,702	-	(168,024)	3,385,678	170,004
SRF 2016-368 (Interest rate - 1.25%)	1,278,282	-	(57,144)	1,221,138	57,864
SRF 2017-383 (Interest rate - 1.55%)	<u>1,150,515</u>	<u>-</u>	<u>(57,996)</u>	<u>1,092,519</u>	<u>58,908</u>
Total state revolving loans	<u>19,051,288</u>	<u>-</u>	<u>(1,071,108)</u>	<u>17,980,180</u>	<u>1,079,892</u>
Compensated absences	756,903	-	(54,237)	702,666	355,353
Total long-term liabilities	<u>\$ 39,223,198</u>	<u>\$ -</u>	<u>\$(3,136,809)</u>	<u>\$ 36,086,389</u>	<u>\$3,484,604</u>

*Retirements include payments and principal forgiveness.

Other than the unused portions of the revolving loans discussed previously, there are no other unused lines of credit.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt – Telecommunications Fund

Term and revolving debt payable at June 30, 2022, consist of the following:

See Note 4 F for discussion of the inter-fund loan from the Electric Fund.

Principal on the Fund's Series 2013 Bonds is due annually on April 1. Interest on the Series 2013 Bonds is due semi-annually on October 1 and April 1. Scheduled annual requirements for bonds payable at June 30, 2022, including interest are:

Years Ended June 30,	2013 Bonds Payable		Total Debt Service
	Principal	Interest	
2023	\$ 4,770,000	\$ 648,400	\$ 5,418,400
2024	4,915,000	502,915	5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 20,000,000</u>	<u>\$ 1,675,110</u>	<u>\$ 21,675,110</u>

Telecommunications System Refunding Revenue Bonds, Series 2013 - On May 22, 2013, the Telecommunications Fund issued \$58,800,000 Telecommunications System Refunding Revenue Bonds (federally taxable), Series 2013, to refinance outstanding term indebtedness. Term debt had been used to refinance taxable Telecommunications System Revenue Bonds, Series 2003, issued to finance the construction of a fiber optic broadband network telecommunications system in the City of Jackson. The Series 2013 Bonds are a limited revenue obligation of the Fund, payable from and secured by a pledge of the Net Revenues of the System.

The City of Jackson unconditionally guaranteed to Jackson Energy Authority and the trustee for the beneficiaries that the amount on deposit in the debt service reserve account for the 2013 Bonds shall at all times equal or exceed the debt service reserve requirement. The guaranty is for an amount not to exceed \$60,000,000.

The Series 2013 Bonds were issued as fixed-rate bonds. Bonds maturing on or before April 1, 2023, mature without option of prior redemption. The Series 2013 Bonds maturing on and after April 1, 2024, are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on or after April 1, 2023, at a price of par plus accrued interest to the redemption date. The Authority has the right to designate which maturities, or portions thereof, will be redeemed. The outstanding balance of Series 2013 bonds as of June 30, 2022, was \$20,000,000.

Bond discount and issuance costs totaled \$481,155. Bond proceeds were used to redeem and refund outstanding term debt in the amount of \$58,817,500.

The refunding resulted in a difference between the reacquisition price and the net carrying cost of the old debt of \$4,070,104. The difference is being charged to operations through bond maturity using the straight-line method. With the implementation of GASB Statement No. 65, *Items Previously Reported as Assets*



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

E. Long-term Debt - Telecommunications Fund (Continued)

and *Liabilities*, the Telecommunications Fund reclassified unamortized deferred cost on bond refunding from bonds payable to deferred outflows of resources in the accompanying Statement of Net Position. Unamortized deferred cost of the Series 2013 refunding totaled \$1,189,316 as of June 30, 2022.

There are a number of requirements, limitations, and restrictions contained in the bond resolutions. The Telecommunications Fund is in compliance with all significant limitations and restrictions.

The following is a summary of the Telecommunication Fund's long-term liability transactions for the year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Retirements	Balance at June 30, 2022	Due Within One Year
Revenue Bonds payable :					
Series 2013	\$ 24,635,000	\$ -	\$ (4,635,000)	\$ 20,000,000	\$ 4,770,000
(Interest rate - .60% - 3.40%)					
Less deferred amounts:					
Issuance premiums (discounts)	(97,558)	-	20,538	(77,020)	(20,538)
Net total revenue bonds	24,537,442	-	(4,614,462)	19,922,980	4,749,462
Notes payable (direct placement):					
Electric Fund loan	5,500,000	-	-	5,500,000	-
Total notes payable	5,500,000	-	-	5,500,000	-
Customer deposits	323,211	-	(10,500)	312,711	-
Compensated absences	609,601	17,806	-	627,407	304,029
	932,812	17,806	(10,500)	940,118	304,029
Total long-term liabilities	\$ 30,970,254	\$ 17,806	\$ (4,624,962)	\$ 26,363,098	\$ 5,053,491

F. Net Position - Electric Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 137,240,493
Less: Debt as disclosed in Note 3E	(26,359,437)
Total net investment in capital assets	110,881,056
Restricted:	
Restricted cash and cash equivalents	626,189
Restricted for use on Load Reduction Project	109,715
Less: Current liabilities payable from restricted assets	(152,283)
Total restricted net position	583,621
Unrestricted	35,250,682
Total net position	\$ 146,715,359



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position - Gas Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 96,327,113
Less: Debt as disclosed in Note 3E	<u>(17,606,234)</u>
Total net investment in capital assets	<u>78,720,879</u>
Restricted:	
Restricted cash and cash equivalents	135,003
Less: Current liabilities payable from restricted assets	<u>(54,890)</u>
Total restricted net position	<u>80,113</u>
Unrestricted	<u>24,832,685</u>
Total net position	<u>\$ 103,633,677</u>

F. Net Position - Water Fund

Net investment in capital assets	
Net property, plant, and equipment in service	\$ 116,343,421
Less: Debt as disclosed in Note 3E	<u>(8,322,334)</u>
Total net investment in capital assets	<u>108,021,087</u>
Restricted:	
Restricted cash and cash equivalents	1,255,588
Less: Current liabilities payable from restricted assets	<u>(32,917)</u>
Total restricted net position	<u>1,222,671</u>
Unrestricted	<u>19,305</u>
Total net position	<u>\$ 109,263,063</u>

F. Net Position - Wastewater Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 133,643,921
Less: Debt as described in Note 3E	<u>(35,383,723)</u>
Total net investment in capital assets	<u>98,260,198</u>
Restricted for debt service:	
Restricted cash and cash equivalents	2,323,111
Less: Accrued interest from restricted funds	<u>(21,319)</u>
Total restricted net position	<u>2,301,792</u>
Unrestricted	<u>17,049,345</u>
Total net position	<u>\$ 117,611,335</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

F. Net Position - Telecommunications Fund

Net investment in capital assets	
Net property, plant and equipment in service	\$ 33,031,947
Less: Debt as described in Note 3E	<u>(25,422,980)</u>
Total net investment in capital assets	<u>7,608,967</u>
Restricted for debt service:	
Restricted cash and cash equivalents	6,873,296
Less: Accrued interest from restricted funds	<u>(170,281)</u>
Total restricted net position	<u>6,703,015</u>
Unrestricted	<u>5,205,648</u>
Total net position	<u>\$ 19,517,630</u>

NOTE 4 - OTHER INFORMATION

A. Pension Costs

Plan Description

Jackson Energy Authority Retirement Plan - All of the Authority's full-time employees hired prior to January 1, 2014, are participants in the Jackson Energy Authority Retirement Plan. The retirement plan is a single-employer defined benefit pension plan and is administered by the Jackson Energy Authority Retirement Plan Administrative Committee. Aetna Life Insurance Company is the disbursing agent for benefits and First Horizon Bank of Memphis serves as Plan Trustee. Each eligible employee entered the plan on the first month following the later of attainment of age twenty-one or the date he was credited with one year of service for vesting as an eligible employee.

Benefits Provided

The plan provides for normal retirement at age 65, early retirement after attainment of age 55 and completion of 5 years of vesting service, delayed retirement beyond normal retirement age and disability retirement upon total and permanent disability after completion of 5 years of vesting service. For participants hired on and after January 1, 2009, the early retirement age is age 60. Retirement Plan participation was frozen effective December 31, 2013.

Upon the death of the participant, survivor benefits may be provided depending on the retirement benefit chosen. The plan provides an annuity for the surviving spouse of active participants. The Plan document assigns the authority to establish and amend benefit provisions to the Jackson Energy Authority Board of Directors. The Plan issues a stand-alone financial report which can be obtained from Aetna by calling 1-860-273-6241 and First Horizon Bank at 1-901-681-2545.

Employees covered by the benefit terms

At the measurement date of June 30, 2021, the Authority had 529 total participants as follows:

Active Participants	220
Inactive Participants with Deferred Benefits	23
Inactive Participants Receiving Payment	286



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2022, the actuarially determined recommended employer contribution was \$9,488,900, which includes 8.28% employee portion paid by employer. The Authority also elected to make additional contributions totaling \$2,000,000 which brought the total year contributions to \$11,488,900.

Net Pension Liability

The Authority's net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges averaging 4.50 percent
Investment rate of return	6.75 percent, net of pension plan investment expenses, including inflation
Mortality rates were based on the PubG-2010 employees and healthy annuitant's mortality table projected generationally using Scale MP-2020.	

Assumption Changes

- Changed the mortality improvements projection scale from Scale MP-2019 to Scale MP-2020.
- Changed the interest rate from 7.00% as of the July 1, 2020 measurement date to 6.75% as of the July 1, 2021 measurement date for GASB 68 purposes.
- Changed the interest rate from 7.25% as of the July 1, 2019 measurement date to 7.00% as of the July 1, 2020 measurement date for funding purposes.

Pension Liabilities

At June 30, 2022, the Authority reported a net pension liability of \$47,632,300. The net pension liability was measured as of July 1, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the Authority recognized pension costs of \$4,484,162. Of this amount, the Authority recognized as a fringe benefit \$1,236,170 as amounts paid by the Authority to satisfy a requirement for employee contributions.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(1) Difference between actual and expected experience		
(a) measurement date July 1, 2021	\$ 366,569	\$ 1,940,672
(2) Difference due to assumption changes		
(a) measurement date July 1, 2021	13,739,200	-
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2021	11,488,899	-
(4) Net difference between expected and actual and earnings on pension plan investment		
(a) measurement date July 1, 2021	-	15,219,905
Total	<u>\$ 25,594,668</u>	<u>\$ 17,160,577</u>

\$11,488,899 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension costs as follows:

<u>Year Ended June 30:</u>	
2023	\$ 2,123,343
2024	343,078
2025	(996,738)
2026	(4,524,491)
2027	-
Thereafter	-

Discount rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balance at 6/30/2021 (measurement date 6/30/2020)	\$ 214,050,608	\$ 137,634,962	\$ 76,415,646
Changes for the year:			
Service cost	2,882,661	-	2,882,661
Interest	14,850,079	-	14,850,079
Change of Benefit Terms	(7,348,032)		(7,348,032)
Difference between expected and actual experience	(1,551,052)	-	(1,551,052)
Assumption change	5,545,645	-	5,545,645
Contributions - employer	-	8,209,843	(8,209,843)
Contributions - 8.28% member	-	1,236,170	(1,236,170)
Contributions - 2% member	-	46,958	(46,958)
Net investment income	-	33,843,277	(33,843,277)
Benefit payments	(9,743,358)	(9,743,358)	-
Administrative expense	-	(173,601)	173,601
Net changes	4,635,943	33,419,289	(28,783,346)
Balance at 6/30/2022 (measurement date 6/30/2021)	\$ 218,686,551	\$ 171,054,251	\$ 47,632,300

Pension plan investments - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2022:

	Market Value	Percentage of Total
Annuity	\$ 5,811,749	3.95
Equities	87,363,946	59.30
Fixed income	52,427,010	35.58
Money market funds	1,730,021	1.17
Total	\$ 147,332,726	100.00



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

Changes in the Net Pension Liability The following investments as of June 30, 2022 represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	Market Value
Fidelity Emerging Markets Index Fund	\$ 7,148,405
Fidelity International Index Fund	\$ 17,484,104
Vanguard Div Apprec Index Fund	\$ 20,077,712
Vanguard Small-Cap Index Fund	\$ 8,796,167
Vanguard Total Stock Market Index	\$ 28,025,947
Dodge & Cox Income Fund	\$ 9,575,759
Vanguard Long-term Bond Index	\$ 15,041,363

Risk and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net position available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate
The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than current rate:

	1% Decrease (5.75%)	Current rate (6.75%)	1% Increase (7.75%)
Total pension liability	\$ 248,262,328	\$ 218,686,551	\$ 194,295,164
Plan fiduciary net pension	<u>171,054,251</u>	<u>171,054,251</u>	<u>171,054,251</u>
Net pension liability	<u>\$ 77,208,077</u>	<u>\$ 47,632,300</u>	<u>\$ 23,240,913</u>

Jackson Energy Authority Defined Contribution Plan - Effective December 23, 2004, the Authority adopted a money purchase pension plan to provide for the payment of accumulated leave benefit after termination of employment. On January 1, 2009, the Plan was amended and restated to also provide for the payment of accumulated severance benefit after termination of employment. All contributions under this Plan are paid to Voya Financial Inc. and deposited into an annuity contract. The Plan is intended to meet the



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

requirements of a non-trusteed retirement plan, qualified under IRS Section 401(a) so that income accruing on the group annuity contract will be exempt from taxation. Funds transferred to the Plan are not subject to FICA withholding and federal income tax is deferred until the participant withdraws funds. The Plan is a governmental plan as defined in Section 414(d) of the IRS Code, the purpose of which is to provide retirement benefits for employees of the employer. The Authority reserves the right to amend the Plan by action of its Board of Directors, notwithstanding certain limitations.

Participation of an employee begins on the employee's hire date and ceases upon termination of employment. Participants are not required or permitted to make contributions to the Plan. Employer contributions equal to the amount of the participant's accumulated leave benefit and/or his accumulated severance benefit are made to the Plan each time a participant terminates employment.

Distribution of benefits generally occurs within 60 days following the close of the plan year (December 31) in which a participant retires. In the event a participant dies prior to receiving distribution, the distribution will be made to his beneficiary as soon as practicable after the participant's death.

Under this Plan there are no assets accumulated in a trust. There were no expenses incurred by the Authority and no liability existed as of June 30, 2022. Total amounts paid over to Voya Financial Inc. on behalf of retirees was \$250,467.

Jackson Energy Authority Matching Contribution Plan - The Jackson Energy Authority Matching Contribution Plan was established effective January 1, 2014, to provide certain benefits for individuals hired or rehired as full-time employees after December 31, 2013. The Matching Plan is a defined contribution plan under IRS Code Section 401(a) which provides for benefits based solely on the amount contributed to each participant's account and any income, expenses, gains or losses which may be allocated to such account. Each employee will enter the plan on the first day of the month following the employee's employment date. Each plan year matching and discretionary contributions may be made by Jackson Energy Authority at its sole discretion. Contribution levels are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the current plan year, the matching contribution will be equal to one hundred percent (100%) of an eligible participant's salary deferral, not to exceed four percent (4%) of compensation, made to the Jackson Energy Authority Deferred Compensation Plan. For the current plan year, the discretionary contribution will be four percent (4%). Normal retirement age is age sixty-five (65). Upon the death of the participant, survivor benefits may be provided depending on the retirement benefit chosen. Upon termination of employment for any reason other than retirement, disability or death a participant is entitled to a benefit equal to the vested portion. For credited service less than 5 years the vesting percentage is 0%. If the credited service is 5 years or more the vesting percentage is 100%. The Plan is administered by the Jackson Energy Authority Retirement Plan Administrative Committee. Voya National Trust serves as Plan Trustee. Jackson Energy Authority recognized \$573,647 in pension expense related to the matching provisions outlined in the defined contribution plan. There were no forfeitures under the Plan for the year ended June 30, 2022. There are no assets accumulated in trust for the benefit of Jackson Energy Authority and there was no liability under the Plan at June 30, 2022.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

A. Pension Costs (Continued)

For the year ended June 30, 2022, the Authority's annual contributions to the Matching Plan were \$573,647 which included both the Authority's matching and discretionary contributions.

B. Major Suppliers

The Electric Fund purchases all of its electric capacity from the Tennessee Valley Authority (TVA). Purchased power from TVA cost \$116,559,891 for the year ending June 30, 2022.

The Gas Fund purchased 74 percent of its natural gas from Symmetry Energy Solutions. Purchased gas cost was \$22,548,997 for the year ended June 30, 2022.

C. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; pollution; crime; directors and officers; employment practices; fiduciary; technology errors and omissions, multimedia and cyber. During the fiscal year ended June 30, 2022, the Authority carried insurance through various commercial carriers to cover most risks of loss. The Authority has had no settled claims resulting from these risks that exceeded its insurance coverage in the past three fiscal years. There has also been no significant reduction in the amount of coverage.

As of June 30, 2022, the Authority is party to various lawsuits filed against it in the normal course of business. The Authority's liability, if any, in all pending litigation after consideration of the insurance coverage should not have a material adverse effect of its financial position or results of operations.

D. Other Post-Employment Benefits

In addition to pension benefits, the Authority provides certain healthcare, dental and life insurance benefits for retired employees. Not all retired employees are eligible for dental benefits. Healthcare and dental benefits are provided by a self-insured trust plan with an insurance company acting as third-party claims administrator. The plan is protected from catastrophic claims by aggregate excess loss coverage. Life insurance is provided by a commercial carrier.

Full-time employees hired prior to January 1, 2009, become eligible for retiree healthcare and life insurance benefits at age fifty-five with five years of service. Full-time employees hired on or after January 1, 2009, and before January 1, 2017, become eligible for certain retiree healthcare and life insurance benefits at age sixty with ten years of service. Full-time employees hired on or after January 1, 2017, become eligible for reduced life insurance coverage but are not eligible for healthcare or dental benefits at retirement.

The cost of providing the healthcare and dental benefits for retirees for the year ended June 30, 2022, was \$3,375,750. At the measurement date of June 30, 2021, the Authority had 271 active participants covered under the plan. The plan also covers 254 inactive participants and 134 covered spouses.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

The cost of providing retiree life insurance benefits for the year ended June 30, 2022, was \$179,656. At the measurement date of June 30, 2021, the Authority had 355 active participants covered under the plan. The plan also covers 245 inactive participants.

Subsequent to June 30, 2009, Jackson Energy Authority established the Voluntary Employees Beneficiary Association Trust (VEBAT). First Horizon Bank has been appointed as the Trustee. The trust was established to allow the Authority to fund post-employment benefits associated with retiree health and life insurance. With the establishment of the Trust, the Authority began funding the actuarially determined normal cost of retiree health and life insurance. With the implementation of GASB 75 in 2018, the Authority began funding the actuarially determined contribution.

Contributions

The contribution requirements of plan members and Jackson Energy Authority are established and may be amended by the Jackson Energy Authority Board of Directors pursuant to the plan document. For the year ended June 30, 2022, the actuarially determined recommended employer contribution was \$1,763,923.

Assumption Changes

- Changed the mortality projected scale from Scale MP-2019 to Scale MP-2020.

Net OPEB Liability

The Authority's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate net OPEB liability was determined by an actuarial valuation as of that date. At June 30, 2022, the Authority reported a net OPEB liability of \$11,852,340.

Actuarial assumptions

The total OPEB liability as of June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges averaging 4.50 percent
Investment rate of return	5.75 percent, net of OPEB plan investment expenses, including inflation

Healthy life mortality pre/post-retirement rates were based on the PUBG.H.-2010 employees and healthy annuitants mortality table. Mortality rates are projected generationally from 2010 using Scale MP-2020.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2022, the Authority recognized OPEB expense of \$(979,510).



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

At June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
(1) Difference between actual and expected experience		
(a) measurement date July 1, 2021	\$ 3,175,609	\$ 643,629
(2) Difference due to assumption changes		
(a) measurement date July 1, 2021	1,213,328	11,372,235
(3) Contributions subsequent to the measurement date		
(a) measurement date July 1, 2021	1,738,370	-
(4) Net difference between expected and actual and earnings on OPEB plan investment		
(a) measurement date July 1, 2021	-	7,221,988
Total	<u>\$ 6,127,307</u>	<u>\$ 19,237,852</u>

\$1,738,370 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	
2023	\$ (3,219,396)
2024	(3,207,357)
2025	(3,013,183)
2026	(3,342,085)
2027	(1,601,074)
Thereafter	(465,820)

Discount rate

The discount rate used to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at contractually required rates, actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at 6/30/2021 (measurement date 6/30/2020)	\$ 59,972,765	\$ 41,681,652	\$ 18,291,113
Changes for the year:			
Service Cost	878,206	-	878,206
Interest	3,431,238	-	3,431,238
Difference between expected and actual experience	2,089,483	-	2,089,483
Assumption change	(350,829)	-	(350,829)
Net benefit payments	(2,982,755)	-	(2,982,755)
Contributions - employer	-	2,218,464	(2,218,464)
Contributions - retiree	594,848	594,848	-
Net investment income	-	10,335,155	(10,335,155)
Benefit payments	-	(2,982,755)	2,982,755
Administrative expense	-	(66,748)	66,748
Net changes	3,660,191	10,098,964	(6,438,773)
Balance at 6/30/2022 (measurement date 6/30/2021)	\$ 63,632,956	\$ 51,780,616	\$ 11,852,340

Sensitivity of the Corporation's net OPEB liability to changes in the discount rate

The following presents the Authority's proportionate share of the net OPEB liability calculated using the discount rate of 5.75 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than current rate:

	1% Decrease (4.75%)	Current Rate (5.75%)	1% Increase (6.75%)
Total OPEB liability	\$ 71,958,200	\$ 63,632,956	\$ 56,915,634
Plan fiduciary net pension	51,780,616	51,780,616	51,780,616
Net OPEB liability	\$ 20,177,584	\$ 11,852,340	\$ 5,135,018

Sensitivity of the Corporation's net OPEB liability to changes in the Healthcare cost trend

The following presents the Authority's net OPEB liability calculated using the current healthcare trend rate as well as what the Authority's net OPEB liability would be if it were calculated using a 1% decrease and 1% increase in the healthcare trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB liability	\$ 57,737,417	\$ 63,632,956	\$ 70,942,028
Plan fiduciary net pension	51,780,616	51,780,616	51,780,616
Net OPEB liability	\$ 5,956,801	\$ 11,852,340	\$ 19,161,412

JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

D. Other Post-Employment Benefits (Continued)

OPEB Plan Investments - The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Directors by a majority vote of its members. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following is the asset allocation as of June 30, 2022:

	Market Value	Percentage of Total
Equities	\$ 25,422,155	59.29
Fixed income	16,934,432	39.50
Money market funds	520,801	1.21
Total	<u>\$ 42,877,388</u>	<u>100.00</u>

The following investments as of June 30, 2022, represent more than 5% of the fiduciary net position and are not issued or explicitly guaranteed by the U. S. Government:

	Market Value
Fidelity International Index Fund	\$ 3,483,707
Vanguard Large-Cap Index Fund	\$ 16,884,533
Vanguard Small-Cap Index Fund	\$ 4,181,302
Dodge & Cox Income Fund	\$ 4,400,158
Vanguard Long-term Bond Index	\$ 9,836,517
Vanguard Total Bond Market Index	\$ 2,697,757

Risk and Uncertainties - The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

E. Related Party Transactions

Included in investments is an equity interest in The Tennergy Corporation. The Tennergy Corporation is an energy acquisition company as provided by the laws of the State of Tennessee whose purpose is the purchase and resale of energy, including natural gas to local utilities.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Loan

Concurrently with the issuance of the Series 2003 Telecommunications Fund revenue bonds, the Authority was required to deposit \$5,500,000 (the Series 2003 debt service reserve requirement) into the debt service reserve sub-account of the bonds. The deposit was derived from a loan made September 26, 2003, by the Authority's Electric Fund pursuant to a supplemental Electric resolution adopted on August 28, 2003. Interest on the initial loan and any subsequent loans is paid monthly at an annual percentage rate equal to the higher of (1) the highest interest rate earned by the Electric Fund on invested funds on the date the loan was made or (2) the highest rate on the senior debt of the Electric Fund on the date the loan was made. The rate on the initial loan was 3.03%. Principal repayments on the initial loan are not due until final maturity of the Series 2003 Telecommunications Fund Revenue Bonds. Consequently, the entire loan balance is presented as a long-term note payable in the financial statements of the Telecommunications Fund as of June 30, 2022.

Under the Telecom loan resolution, the Electric Fund is obligated to make additional loans on a revolving credit basis from time to time by means of deposits to the Telecom debt service reserve sub-account. In the event that the amounts on deposit in the Telecom Debt Service Reserve Sub-account are at any time less than the Telecom Debt Service Reserve requirement of \$5,500,000, the Electric Fund is required to loan to the Telecommunications Fund an amount equal to such deficiency for the purpose of replenishing the Telecom Debt Service Reserve Sub-account. The Electric Fund has no obligation to make additional loans if such loans would cause the outstanding aggregate principal amount of all loans to the Telecommunications Fund to exceed \$34,000,000.

Loans subsequent to the initial amount borrowed of \$5,500,000 are to be repaid monthly in sixty equal monthly installments.

The Telecommunications Fund has no outstanding subsequent loans from the Electric Fund as of June 30, 2022.

As of June 30, 2022, the Authority had the following investments in the debt service reserve. Fair market values are based on Level 1 inputs:

	Cost	Fair Value
Debt Service Fund Investments		
Bank of Jackson CD	\$ 500,000	\$ 500,000
FirstBank	3,727,984	3,752,760
Local Govt Investment Pool	522,826	522,826
U.S. Treasury Notes	242,953	241,602
U.S. Treasury Notes	246,801	245,625
	<u>238,135</u>	<u>237,188</u>
	<u>\$ 5,478,700</u>	<u>\$ 5,500,000</u>



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

F. Inter-Fund Payments

For the fiscal year ended June 30, 2022, the Telecommunications Fund paid rent to the Electric, Gas, Water, and Wastewater Funds in the amount of \$207,850 for the use of facilities. The Telecommunications Fund paid rent to the Electric Fund for the year ended June 30, 2022, in the amount of \$614,182 for use of electric poles. The Electric Fund paid Automated Metering Infrastructure fees to the Telecommunications Fund for the year ended June 30, 2022, in the amount of \$300,000.

H. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The Plan, available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and liabilities are held in trust for the exclusive benefit of participants and their beneficiaries as required by IRC Section 457(b).

On November 21, 2002, the 457(b) Plan was revised to include the following provisions:

1. Participant may secure a loan from his account up to the smaller of \$50,000 or 50% of the participant's account balance.
2. Participants may obtain immediate access to account funds to make domestic relations order distributions. These distributions must be authorized by a judgment, decree, or order pursuant to local domestic relations marital property law.

I. The Tennergy Corporation

The Tennergy Corporation began operations on April 1, 1998 as a joint venture among the Board of Utility Commissioners of the City of Jackson, Tennessee, the Board of Public Utilities of Humboldt, Tennessee, and the City of Brownsville, Tennessee Utilities Board. The Tennergy Corporation is an energy acquisition company as provided by the laws of the State of Tennessee. The Corporation's purpose is to purchase and resell energy, including natural gas and electricity. As of June 30, 2022, the Gas Fund's investment in The Tennergy Corporation amounted to \$4,788,244.

The investment gain from The Tennergy Corporation amounted to \$134,332 for the year ended June 30, 2022.

The Gas Fund's investment in The Tennergy Corporation represented a 73 percent interest as of June 30, 2022.

On June 30, 2022, The Tennergy Corporation had total assets of \$922,002,631, liabilities and deferred inflows of resources of \$915,463,044, and net position of \$6,539,587. These assets, liabilities, and this net position reflect investment interests that include, but are not limited to, both the Gas and Electric Funds of Jackson Energy Authority. Separate financial statements of The Tennergy Corporation can be obtained for the Corporation in Jackson, Tennessee.



JACKSON ENERGY AUTHORITY
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2022

NOTE 4 - OTHER INFORMATION (Continued)

J. Geographic Operations

The Authority's operations are within the City of Jackson and Madison County, Tennessee, with some Water, Wastewater and Telecommunications operations in Gibson County, Tennessee. In addition, the Telecommunications has some operations in Obion County, Tennessee. The Authority derives its revenue primarily from user charges to customers within these locations.

REQUIRED SUPPLEMENTARY INFORMATION

MOVING
FORWARD,
MAINTAINING
RELIABILITY



ANNUAL
REPORT
FY2022



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net Pension Liability and Related Ratios**
JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017*	Fiscal Year Ending 2016*	Fiscal Year Ending 2015
Total Pension Liability								
Service Cost	\$ 2,882,661	\$ 2,440,656	\$ 2,495,165	\$ 2,661,358	\$ 2,425,007	\$ 2,349,489	\$ 2,213,443	\$ 2,337,036
Interest Cost	14,850,079	14,108,673	13,292,606	12,589,204	11,341,447	11,117,492	10,203,036	10,008,290
Changes of Benefit Terms	(7,348,032)	-	-	-	-	-	-	-
Transfer Between Plans (4 participants)	-	-	-	-	902,635			
Transfer of All Remaining Tennergy Liability	-	-	-	-	6,565,456			
Differences Between Expected and Actual Experiences	(1,551,052)	(1,260,810)	62,477	490,277	1,451,527	(639)	1,610,666	2,850,872
Changes of Assumptions	5,545,645	11,167,768	4,222,221	4,196,883	1,530,055	-	4,939,654	-
Benefit Payments, Including Refunds of Member Contributions	(9,743,358)	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Net Change in Total Pension Liability	4,635,943	17,478,533	11,519,108	11,900,437	17,274,880	6,521,521	12,091,403	8,671,554
Total Pension Liability (Beginning)	214,050,608	196,572,075	185,052,968	173,152,531	155,877,651	149,356,130	137,264,728	134,369,158
Total Pension Liability (Ending)	\$ 218,686,551	\$214,050,608	\$196,572,076	\$185,052,968	\$173,152,531	\$155,877,651	\$149,356,131	\$143,040,712
Plan Fiduciary Net Position								
Contributions - Employer	\$ 8,209,843	\$ 7,560,751	\$ 7,726,375	\$ 14,642,435	\$ 7,389,084	\$ 7,022,982	\$ 5,901,463	\$ 5,607,583
Contributions - 8.28% Member	1,236,170	1,256,753	1,291,435	1,586,282	1,548,157			
Contributions - 2% Member	46,958	45,844	44,865	43,565	42,070	41,939	36,655	20,311
Net Investment Income	33,843,277	4,034,412	8,410,282	5,931,821	6,979,057	895,518	2,878,326	12,617,521
Benefit Payments, Including Refunds of Member Contributions	(9,743,358)	(8,977,754)	(8,553,361)	(8,037,285)	(6,941,247)	(6,944,821)	(6,875,396)	(6,524,644)
Administrative Expense	(173,601)	(143,674)	(101,926)	(101,657)	(85,435)	(106,134)	(124,779)	(209,969)
Transfer Between Plans (4 participants)	-	-	-	-	902,635			
Transfer of All Remaining Tennergy Assets	-	-	-	-	4,060,067	-	-	-
Net Change in Plan Fiduciary Net Position	33,419,289	3,776,332	8,817,670	14,065,161	13,894,388	909,484	1,816,269	11,510,802
Plan Fiduciary Net Position (Beginning)	137,634,962	133,858,630	125,040,960	110,975,799	97,081,411	96,171,927	94,355,659	83,318,142
Plan Fiduciary Net Position (Ending)	\$ 171,054,251	\$137,634,962	\$133,858,630	\$125,040,960	\$110,975,799	\$ 97,081,411	\$ 96,171,928	\$ 94,828,944
The Authority's Net Pension Liability	\$ 47,632,300	\$ 76,415,646	\$ 62,713,446	\$ 60,012,008	\$ 62,176,732	\$ 58,796,240	\$ 53,184,203	\$ 48,211,768
Net Position as a % of Pension Liability	78.22%	64.30%	68.10%	67.57%	64.09%	62.28%	64.39%	66.30%
Covered Employee Payroll	\$ 17,019,374	\$ 17,130,140	\$ 17,857,525	\$ 21,336,221	\$ 20,801,069	\$ 18,765,114	\$ 18,659,785	\$ 18,943,055
The Authority's Pension Liability as a % of Covered-Employee Payroll	279.87%	446.09%	351.19%	281.27%	298.91%	313.33%	285.02%	254.51%

*Fiscal year ended June 30, 2015 figures show JEA and Tennergy combined. Fiscal years ended June 30, 2016 and 2017 are JEA only.
During fiscal year ended June 30, 2018, JEA absorbed the employees and net pension liability of Tennergy.

**This is a 10-year schedule beginning at the implementation of GASB 68. Retroactive information is not required.

JACKSON ENERGY AUTHORITY

Schedule of the Authority's Pension Contributions and Notes

JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018*	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015	Fiscal Year Ending 2014
Actuarially Determined Contribution	\$ 8,196,643	\$ 6,572,525	\$ 6,003,774	\$ 6,181,859	\$ 5,672,116	\$ 6,813,731	\$ 6,079,045	\$ 6,202,484	\$ 6,009,815
Contributions made in Relation to the									
Actuarially Determined Contribution	10,230,939	8,209,843	7,560,751	7,726,375	14,642,435	7,389,084	7,022,982	6,190,322	5,607,583
Contribution Deficiency (excess)	(2,034,296)	(1,637,318)	(1,556,977)	(1,544,516)	(8,970,319)	(575,353)	(943,937)	12,162	402,232
Covered-Employee Payroll	16,123,335	17,019,374	17,130,140	17,857,525	21,336,221	20,152,643	18,765,114	19,662,603	18,943,035
Contributions as a % of Payroll	63.5%	48.2%	44.1%	43.3%	68.6%	36.7%	37.4%	31.5%	29.6%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for fiscal year 2022:

Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	5 year smoothing.
General Inflation:	2.50%
Salary Increases:	4.50%
Investment Rate of Return:	7.00%, net of pension plan investment expense, including inflation.
Retirement Age:	Varies by age and service, same as GASB 67.
Mortality:	PubG-2010 employees and healthy annuitants mortality table projected using Scale MP-2020.

*Beginning with 2018, the 8.28% employee contributions are no longer included in the Actuarially Determined Contribution, in accordance with GASB 82.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's Pension Plan Investment Returns
 JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018	Fiscal Year Ending 2017	Fiscal Year Ending 2016	Fiscal Year Ending 2015
Annual money-weighted rate of return, net of investment expense	21.81%	2.87%	6.42%	4.94%	6.63%	0.82%	2.89%	13.93%

* Only eight years are available from actuarial valuation.



JACKSON ENERGY AUTHORITY
Schedule of Changes in Net OPEB Liability and Related Ratios
JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Total OPEB Liability					
Service Cost	\$ 878,206	\$ 828,526	\$ 969,719	\$ 1,833,801	\$ 1,995,248
Interest Cost	3,431,238	3,588,183	3,965,906	5,076,740	4,933,073
Changes of Benefit Terms	-	-	-	(19,977,707)	(7,628,998)
Contributions from the members	-	-	-	-	336,958
Differences Between Expected and Actual Experiences	2,089,483	(552,973)	755,147	(440,726)	2,236,392
Changes of Assumptions	(350,829)	(4,373,184)	(9,942,279)	(2,899,542)	3,079,988
Benefit Payments, Including Refunds of Member Contributions	<u>(2,387,907)</u>	<u>(2,154,773)</u>	<u>(2,197,408)</u>	<u>(1,901,423)</u>	<u>(2,373,522)</u>
Net Change in Total OPEB Liability	3,660,191	(2,664,221)	(6,448,915)	(18,308,857)	2,579,139
Total OPEB Liability (Beginning)	<u>59,972,765</u>	<u>62,636,986</u>	<u>69,085,901</u>	<u>87,394,758</u>	<u>84,815,619</u>
Total OPEB Liability (Ending)	<u>\$ 63,632,956</u>	<u>\$ 59,972,765</u>	<u>\$ 62,636,986</u>	<u>\$ 69,085,901</u>	<u>\$ 87,394,758</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,218,464	\$ 3,864,557	\$ 6,471,290	\$ 8,738,289	\$ 3,442,183
Contributions - Member	594,848	645,638	570,155	428,075	336,958
Net Investment Income	10,335,155	2,950,929	2,819,284	1,505,210	(41,440)
Benefit Payments, Including Refunds of Member Contributions	(2,982,755)	(2,800,411)	(2,767,563)	(2,329,498)	(2,373,522)
Administrative Expense	<u>(66,748)</u>	<u>(58,890)</u>	<u>(45,355)</u>	<u>(44,698)</u>	<u>(42,415)</u>
Net Change in Plan Fiduciary Net Position	10,098,964	4,601,823	7,047,811	8,297,378	1,321,764
Plan Fiduciary Net Position (Beginning)	<u>41,681,652</u>	<u>37,079,829</u>	<u>30,032,018</u>	<u>21,734,640</u>	<u>20,412,876</u>
Plan Fiduciary Net Position (Ending)	<u>\$ 51,780,616</u>	<u>\$ 41,681,652</u>	<u>\$ 37,079,829</u>	<u>\$ 30,032,018</u>	<u>\$ 21,734,640</u>
The Authority's Net OPEB Liability	<u>\$ 11,852,340</u>	<u>\$ 18,291,113</u>	<u>\$ 25,557,157</u>	<u>\$ 39,053,883</u>	<u>\$ 65,660,118</u>
Net Position as a % of Total OPEB Liability	81.37%	69.50%	59.20%	43.47%	24.87%
Covered - Employee Payroll	\$ 22,942,544	\$ 19,811,754	\$ 20,056,659	\$ 25,095,008	\$ 24,274,764
Total OPEB Liability as a % of Covered-Employee Payroll	69.64%	92.32%	127.42%	155.62%	270.49%

See independent auditor's report.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Contribution and Notes
JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Actuarially Determined Contribution	\$ 1,763,923	\$ 2,351,434	\$ 3,661,202	\$ 6,846,016	\$ 6,836,384
Contributions made in Relation to the					
Actuarially Determined Contribution	2,299,719	2,218,464	3,864,557	6,471,290	8,738,289
Contribution Deficiency (excess)	(535,796)	132,970	(203,355)	374,726	(1,901,905)
Covered-Employee Payroll	23,116,219	22,942,544	19,811,754	20,056,659	25,095,008
Contributions as a % of Payroll	9.9%	9.7%	19.5%	32.3%	34.8%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates for fiscal year 2022:

Actuarial Cost Method:	Entry Age Normal with 30-year closed amortization period for initial unfunded and 20-year closed amortization period for subsequent actuarial gains/losses and assumption/plan changes.
Asset Valuation Method:	Fair Market Value
Salary Increases:	4.50%
Investment Rate of Return:	5.75%, net of OPEB plan investment expense, including inflation.
Mortality:	PUBGH-2010 Fully Generational mortality tables, projected from 2010 with scale MP 2020.



JACKSON ENERGY AUTHORITY
Schedule of the Authority's OPEB Investment Returns
 JUNE 30, 2022

	Fiscal Year Ending 2022	Fiscal Year Ending 2021	Fiscal Year Ending 2020	Fiscal Year Ending 2019	Fiscal Year Ending 2018
Annual money-weighted rate of return, net of investment expense	21.97%	7.34%	8.27%	5.64%	-0.40%

* Only five years are available from actuarial valuation.

SUPPLEMENTARY AND OTHER INFORMATION

MOVING
FORWARD,
MAINTAINING
RELIABILITY



ANNUAL
REPORT
FY2022



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating revenues:			
Charges for sales and services:			
Residential sales	\$ 45,495,510	\$ 43,108,891	\$ 2,386,619
Small lighting and power sales	13,079,020	12,022,114	1,056,906
Large lighting and power sales	84,335,243	76,524,094	7,811,149
Street and athletic lighting sales	2,331,702	2,258,246	73,456
Outdoor lighting	2,080,633	1,968,979	111,654
Unbilled revenue	944,984	(128,989)	1,073,973
Uncollectible accounts	(263,565)	155,195	(418,760)
Total charges for sales and services (net)	<u>148,003,527</u>	<u>135,908,530</u>	<u>12,094,997</u>
Other revenues			
Forfeited discounts	856,494	907,062	(50,568)
Miscellaneous service revenue	322,561	324,414	(1,853)
Rent from electric property	2,535,143	2,439,990	95,153
Other electric revenue	9,676	6,876	2,800
Total other revenues	<u>3,723,874</u>	<u>3,678,342</u>	<u>45,532</u>
Total operating revenues (net)	<u>151,727,401</u>	<u>139,586,872</u>	<u>12,140,529</u>
Operating expenses:			
Cost of sales and services:			
Purchased power	<u>116,559,891</u>	<u>106,302,620</u>	<u>10,257,271</u>
Operations expenses:			
Transmission expenses:			
Load Dispatching	2,271	5,665	(3,394)
Overhead line expense	<u>21,561</u>	<u>17,321</u>	<u>4,240</u>
Total transmission expense	<u>23,832</u>	<u>22,986</u>	<u>846</u>
Distribution expenses:			
Load dispatching	335,150	337,075	(1,925)
Station expense	8,435	12,247	(3,812)
Overhead line expense	65,176	214,346	(149,170)
Underground line expense	416	656	(240)
Street lighting and signal system	6,952	8,518	(1,566)
Meter expense	71,887	(33,863)	105,750
Customer installations expense	609,155	699,947	(90,792)
Supervision and engineering	165,872	105,136	60,736
Miscellaneous	863,769	635,676	228,093
Rents	<u>155,829</u>	<u>159,833</u>	<u>(4,004)</u>
Total distribution expenses	<u>2,282,641</u>	<u>2,139,571</u>	<u>143,070</u>
Customer accounts expenses:			
Meter reading expense	11,052	11,015	37
Customer contracts and orders	433,235	485,585	(52,350)
Customer collections	267,779	214,382	53,397
Customer utility billing coordinator	70,218	95,532	(25,314)
Data processing	<u>103,556</u>	<u>413,975</u>	<u>(310,419)</u>
Total customer accounts	<u>885,840</u>	<u>1,220,489</u>	<u>(334,649)</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating expenses (continued):			
Customer information and sales expense:			
Assistance	271,055	242,820	28,235
Demonstrations and advertising	32,017	29,565	2,452
Service guarantees	263	228	35
Miscellaneous	37,838	37,257	581
Total customer information and sales expense	<u>341,173</u>	<u>309,870</u>	<u>31,303</u>
Administrative expenses:			
Office salaries	1,750,448	1,416,099	334,349
Employee training	-	-	-
Office supplies and expense	1,301,252	386,744	914,508
Professional services	222,549	136,032	86,517
Insurance	404,140	354,968	49,172
Employee pension and benefits	1,159,537	4,710,254	(3,550,717)
Miscellaneous and penalties	174,232	274,621	(100,389)
Total administrative expenses	<u>5,012,158</u>	<u>7,278,718</u>	<u>(2,266,560)</u>
Total operations expense	<u>8,545,644</u>	<u>10,971,634</u>	<u>(2,425,990)</u>
Maintenance expenses:			
Transmission expenses:			
Supervision and engineering	-	880	(880)
Station equipment	-	123	(123)
Overhead lines	44,560	51,204	(6,644)
Total transmission expenses	<u>44,560</u>	<u>52,207</u>	<u>(7,647)</u>
Distribution expenses:			
Supervision and engineering	125,986	124,223	1,763
Station equipment	467,981	522,187	(54,206)
Poles	840	739	101
Lines	2,578,969	2,117,977	460,992
Transformers	109,519	107,387	2,132
Street lighting and signals	119,367	143,155	(23,788)
Meters	257,607	249,884	7,723
Total distribution expenses	<u>3,660,269</u>	<u>3,265,552</u>	<u>394,717</u>
Administrative and general expenses:			
Structures and improvements	264,005	241,394	22,611
Office furniture and fixtures	129,504	126,517	2,987
Communications equipment	321,072	237,700	83,372
Total administrative and general expenses	<u>714,581</u>	<u>605,611</u>	<u>108,970</u>
Total maintenance expenses	<u>4,419,410</u>	<u>3,923,370</u>	<u>496,040</u>
Depreciation and amortization	9,282,126	9,242,175	39,951
Taxes	442,203	442,869	(666)
In lieu of taxes	4,193,266	4,129,382	63,884
	<u>13,917,595</u>	<u>13,814,426</u>	<u>103,169</u>
Total operating expenses	<u>\$ 143,442,540</u>	<u>\$ 135,012,050</u>	<u>\$ 8,430,490</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 42,824,758	\$ 36,122,715	\$ 6,702,043
Uncollectible accounts	66,995	20,484	46,511
Total operating revenues (net)	42,891,753	36,143,199	6,748,554
Operating expenses:			
Cost of sales and services:			
Gas purchased	22,548,997	15,047,476	7,501,521
Total cost of sales and services expense	22,548,997	15,047,476	7,501,521
Operations expense:			
Distribution expenses:			
Production	2,713	2,371	342
Mains and services	345,244	374,127	(28,883)
Gas leak surveying	9,612	16,072	(6,460)
Measuring and regulating	253,199	294,245	(41,046)
Meter house and regulation	191,269	249,231	(57,962)
Customer installations expense	286,583	351,440	(64,857)
Gas light and grills	19,991	26,552	(6,561)
Supervision and engineering	427,351	367,774	59,577
Maps and records	1,634	3,213	(1,579)
Office expense	396,035	227,948	168,087
Rents	-	1,650	(1,650)
Propane delivery	199,748	180,818	18,930
Total distribution expenses	2,133,379	2,095,441	37,938
Customer accounts expenses:			
Meter reading expense	263,748	243,938	19,810
Customer contracts and orders	185,087	197,389	(12,302)
Customer collections	162,513	151,555	10,958
Customer utility billing coordinator	52,817	41,039	11,778
Customer account stand-by time	1,592	-	1,592
Data processing	67,009	291,988	(224,979)
Total customer accounts expenses	732,766	925,909	(193,143)
Customer information and sales expense:			
Assistance	108,134	92,672	15,462
Demonstrations and advertising	35,092	28,965	6,127
Miscellaneous	31,427	31,114	313
Total customer information and sales expense	174,653	152,751	21,902



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operations expenses (continued):			
Administrative expenses:			
Office salaries	1,563,231	1,285,081	278,150
Office supplies and expense	1,051,652	246,938	804,714
Special services	147,956	142,539	5,417
Insurance	222,105	189,769	32,336
Employee pension and benefits	899,667	3,748,560	(2,848,893)
Miscellaneous and penalties	145,073	114,463	30,610
Total administrative expenses	<u>4,029,684</u>	<u>5,727,350</u>	<u>(1,697,666)</u>
Total operations expense	<u>7,070,482</u>	<u>8,901,451</u>	<u>(1,831,311)</u>
Total operations and cost of sales and service	<u>29,619,479</u>	<u>23,948,927</u>	<u>5,670,210</u>
Maintenance expenses:			
Production	4,908	15,463	(10,555)
Total production expenses	<u>4,908</u>	<u>15,463</u>	<u>(10,555)</u>
Distribution expenses:			
Supervision and engineering	206,813	328,447	(121,634)
Structures and improvements	-	-	-
Mains	285,021	432,680	(147,659)
Measuring and regulating	11,986	3,530	8,456
Services	142,003	315,459	(173,456)
Meters and regulators	91,446	79,612	11,834
Other equipment	134,104	76,662	57,442
Total distribution expenses	<u>871,373</u>	<u>1,236,390</u>	<u>(365,017)</u>
Administrative and general expenses:			
Administrative and general expenses:	487,260	417,841	69,419
Total administrative and general expenses	<u>487,260</u>	<u>417,841</u>	<u>69,419</u>
Total maintenance expenses	<u>1,363,541</u>	<u>1,669,694</u>	<u>(306,153)</u>
Depreciation and amortization	4,573,312	4,440,845	132,467
Taxes	306,145	329,858	(23,713)
In lieu of taxes	1,598,423	1,466,155	132,268
	<u>6,477,880</u>	<u>6,236,858</u>	<u>241,022</u>
Total operating expenses	<u>\$ 37,460,900</u>	<u>\$ 31,855,479</u>	<u>\$ 5,605,079</u>

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 18,837,634	\$ 18,556,531	\$ 281,103
Uncollectible accounts	<u>(1,768)</u>	<u>(5,114)</u>	<u>3,346</u>
Total operating revenues (net)	<u>18,835,866</u>	<u>18,551,417</u>	<u>284,449</u>
Operating expenses:			
Operations expense			
Source of supply:			
Labor	4,216	4,087	129
Miscellaneous	<u>552,096</u>	<u>468,690</u>	<u>83,406</u>
Total source of supply expense	<u>556,312</u>	<u>472,777</u>	<u>83,535</u>
Pumping			
Supervision and engineering	-	-	-
Purchased power	558,405	466,824	91,581
Miscellaneous	<u>240</u>	<u>240</u>	<u>-</u>
Total pumping expense	<u>558,645</u>	<u>467,064</u>	<u>91,581</u>
Treatment and disposal			
Supervision and engineering	6,527	6,323	204
Labor	450,619	490,194	(39,575)
Chemicals	334,054	205,599	128,455
Miscellaneous	<u>171,255</u>	<u>172,850</u>	<u>(1,595)</u>
Total treatment and disposal expense	<u>962,455</u>	<u>874,966</u>	<u>87,489</u>
Transmission and distribution			
Supervision and engineering	415,073	402,147	12,926
Storage facilities expense	5,113	5,878	(765)
Line expense	408,650	351,422	57,228
Meter expense	11,403	102,296	(90,893)
Miscellaneous	430,956	293,115	137,841
Customer installation	<u>233,209</u>	<u>299,172</u>	<u>(65,963)</u>
Total transmission and distribution expense	<u>1,504,404</u>	<u>1,454,030</u>	<u>50,374</u>
Customer accounts expenses:			
Meter reading expense	162,121	161,740	381
Customer billing and collecting	366,273	331,145	35,128
Data processing	54,043	228,896	(174,853)
Assistance expense	97,387	113,431	(16,044)
Demonstrations and advertising	16,533	14,976	1,557
Miscellaneous	<u>28,228</u>	<u>28,130</u>	<u>98</u>
Total customer accounts expense	<u>724,585</u>	<u>878,318</u>	<u>(153,733)</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating expenses (continued):			
Administrative and general expense:			
Salaries	1,050,306	936,325	113,981
Office supplies and expense	294,967	194,592	100,375
Professional service	112,432	111,490	942
Insurance	219,636	181,413	38,223
Employee pension and benefits	676,369	3,080,624	(2,404,255)
Miscellaneous	50,455	36,427	14,028
Total administrative and general expense	<u>2,404,165</u>	<u>4,540,871</u>	<u>(2,136,706)</u>
Total operations expense	<u>6,710,566</u>	<u>8,688,026</u>	<u>(1,977,460)</u>
Maintenance expenses:			
Source of supply			
Wells and springs	<u>57,548</u>	<u>60,302</u>	<u>(2,754)</u>
Total source of supply	<u>57,548</u>	<u>60,302</u>	<u>(2,754)</u>
Pumping			
Supervision and engineering	1,398	2,205	(807)
Pumping equipment	<u>68,875</u>	<u>45,191</u>	<u>23,684</u>
Total pumping expenses	<u>70,273</u>	<u>47,396</u>	<u>22,877</u>
Treatment and disposal			
Structures and improvements	5,511	-	5,511
Treatment and disposal equipment	<u>280,290</u>	<u>271,691</u>	<u>8,599</u>
Total treatment and disposal	<u>285,801</u>	<u>271,691</u>	<u>14,110</u>
Transmission and distribution			
Supervision and engineering	15,740	88,391	(72,651)
Distribution reservoirs and standpipes	42,031	64,832	(22,801)
Mains and services	611,836	709,047	(97,211)
Service meters and hydrants	<u>216,286</u>	<u>194,640</u>	<u>21,646</u>
Total transmission and distribution	<u>885,893</u>	<u>1,056,910</u>	<u>(171,017)</u>
Administrative and general expenses:			
Administrative and general expenses	<u>482,931</u>	<u>363,072</u>	<u>119,859</u>
Total administrative and general expenses	<u>482,931</u>	<u>363,072</u>	<u>119,859</u>
Total maintenance expenses	<u>1,782,446</u>	<u>1,799,371</u>	<u>(16,925)</u>
Depreciation and amortization	3,501,825	3,250,905	250,920
Taxes	280,244	280,576	(332)
In lieu of taxes	<u>193,684</u>	<u>190,905</u>	<u>2,779</u>
	<u>3,975,753</u>	<u>3,722,386</u>	<u>253,367</u>
Total operating expenses	<u>\$ 12,468,765</u>	<u>\$ 14,209,783</u>	<u>\$ (1,741,018)</u>

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 21,138,142	\$ 20,540,382	\$ 597,760
Uncollectible accounts	12,554	22,791	(10,237)
Total operating revenues (net)	<u>21,150,696</u>	<u>20,563,173</u>	<u>587,523</u>
Operating expenses:			
Operations expense:			
Pumping			
Purchased power	124,225	122,985	1,240
Miscellaneous	18,578	9,374	9,204
Total pumping expense	<u>142,803</u>	<u>132,359</u>	<u>10,444</u>
Treatment and disposal			
Supervision and engineering	11,454	144	11,310
Labor	1,289,868	1,222,545	67,323
Chemicals	171,606	146,557	25,049
Miscellaneous	861,699	879,311	(17,612)
Total treatment and disposal expense	<u>2,334,627</u>	<u>2,248,557</u>	<u>86,070</u>
Transmission and distribution			
Supervision and engineering	154,921	155,689	(768)
Line expense	365,318	284,119	81,199
Meter expense	45,492	30,620	14,872
Miscellaneous	317,464	218,665	98,799
Customer installation	44,291	52,485	(8,194)
Total transmission and distribution expense	<u>927,486</u>	<u>741,578</u>	<u>185,908</u>
Customer accounts expenses			
Supervision	17,132	17,013	119
Meter reading expense	119,679	118,205	1,474
Customer billing and collecting	303,490	273,367	30,123
Data processing	44,691	189,740	(145,049)
Assistance expense	238,342	234,447	3,895
Demonstrations and advertising	16,009	14,483	1,526
Miscellaneous	29,129	29,626	(497)
Total customer accounts expense	<u>768,472</u>	<u>876,881</u>	<u>(108,409)</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating expenses (continued):			
Administrative and general expense			
Salaries	1,109,790	844,877	50,080
Office supplies and expense	238,679	156,768	(37,444)
Professional service	98,400	103,023	(5,520)
Insurance	393,466	253,213	15,586
Employee pension and benefits	693,036	2,765,983	166,659
Miscellaneous	110,868	35,416	9,378
Total administrative and general expense	<u>2,644,239</u>	<u>4,159,280</u>	<u>198,739</u>
Total operations expense	<u>6,817,627</u>	<u>8,158,655</u>	<u>181,026</u>
Maintenance expenses:			
Pumping			
Supervision and engineering	1,610	-	-
Structures and improvements	497	115	382
Pumping equipment	<u>334,871</u>	<u>297,806</u>	<u>37,065</u>
Total pumping	<u>336,978</u>	<u>297,921</u>	<u>37,447</u>
Treatment and disposal			
Structures and improvements	471	18	453
Treatment and disposal equipment	<u>626,916</u>	<u>541,316</u>	<u>85,600</u>
Total treatment and disposal	<u>627,387</u>	<u>541,334</u>	<u>86,053</u>
Transmission and distribution			
Supervision and engineering	3,597	60,827	(57,230)
Mains and services	837,614	945,118	(107,504)
Service meters and hydrants	<u>8,699</u>	<u>2,084</u>	<u>6,615</u>
Total transmission and distribution	<u>849,910</u>	<u>1,008,029</u>	<u>(158,119)</u>
Administrative and general			
Administrative and general expenses	<u>375,832</u>	<u>278,483</u>	<u>97,349</u>
Total administrative and general expenses	<u>375,832</u>	<u>278,483</u>	<u>97,349</u>
Total maintenance expenses	<u>2,190,107</u>	<u>2,125,767</u>	<u>62,730</u>
Depreciation and amortization	4,841,021	4,584,942	256,079
Taxes	267,217	257,102	10,115
In lieu of taxes	<u>216,235</u>	<u>211,354</u>	<u>4,881</u>
	<u>5,324,473</u>	<u>5,053,398</u>	<u>271,075</u>
Total operating expenses	<u>\$ 14,332,207</u>	<u>\$ 15,337,820</u>	<u>\$ (1,007,223)</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF OPERATING REVENUES AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2022	June 30, 2021	Increase (Decrease)
Operating revenues:			
Operating revenues	\$ 34,805,964	\$ 33,167,298	\$ 1,638,666
Uncollectible accounts	57,108	(104,498)	161,606
Total operating revenues (net)	<u>34,863,072</u>	<u>33,062,800</u>	<u>1,800,272</u>
Operating expenses:			
Programming and services costs	<u>13,292,944</u>	<u>12,405,397</u>	<u>887,547</u>
Operations expenses			
Plant specific			
Network support	54,995	51,993	3,002
General support	308,856	298,993	9,863
Headend	12,559	11,979	580
Headend transmission	12,185	12,185	-
Cable and wire facilities	646,682	444,051	202,631
Total plant specific	<u>1,035,277</u>	<u>819,201</u>	<u>216,076</u>
Plant non-specific			
Other property and equipment	11,377	15,986	(4,609)
Network operations	603,651	630,227	(26,576)
Total plant non-specific	<u>615,028</u>	<u>646,213</u>	<u>(31,185)</u>
Customer operations			
Marketing	436,487	462,435	(25,948)
Services	3,530,319	3,285,579	244,740
Stand-by Time	45,146	101,981	(56,835)
Total customer operations	<u>4,011,952</u>	<u>3,849,995</u>	<u>161,957</u>
Corporate operations			
Executive and planning	828,732	753,064	75,668
General and administrative	2,235,585	3,909,514	(1,673,929)
Total corporate operations	<u>3,064,317</u>	<u>4,662,578</u>	<u>(1,598,261)</u>
Total operations expenses	<u>8,726,574</u>	<u>9,977,987</u>	<u>(1,251,413)</u>
Depreciation and amortization	7,067,037	7,019,457	47,580
Taxes	277,014	266,945	10,069
In lieu of taxes	1,061,815	852,641	209,174
	<u>8,405,866</u>	<u>8,139,043</u>	<u>266,823</u>
Total operating expenses	<u>\$ 30,425,384</u>	<u>\$ 30,522,427</u>	<u>\$ (97,043)</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

JUNE 30, 2022

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding as of 6-30-2022
Notes payable:									
Southwest Electric	Various	0%	Various	Various	\$ 150,778	\$ -	\$ 33,296	\$ -	\$117,482
TVA	\$ 4,160,207	0%	6/30/15	6/30/21	57,780	-	57,780	-	-
Total notes payable					<u>\$ 208,558</u>	<u>\$ -</u>	<u>\$ 91,076</u>	<u>\$ -</u>	<u>\$ 117,482</u>
Bonds Payable:									
Revenue Bonds - Series 2014	27,120,000	3.00 to 5.00%	12/5/14	5/1/33	21,310,000	-	1,280,000	-	20,030,000
Revenue Bonds - Series 2020	7,995,000	1.40%	5/1/20	5/1/26	6,685,000	-	1,455,000	-	5,230,000
Total Bonds Payable					<u>\$ 27,995,000</u>	<u>\$ -</u>	<u>\$ 2,735,000</u>	<u>\$ -</u>	<u>\$ 25,260,000</u>

Notes to Schedule:

The note payable to Southwest Electric contains several annexations with various dates and amounts.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2022

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2021	Issued During Period	Paid and/ or Matured During Period	Refunded During Period	Outstanding as of 6-30-2022
Bonds Payable:									
Revenue Bonds - Series 2015	21,240,000	3.00 to 5.00%	12/22/2015	6/1/35	\$ 17,615,000	\$ -	\$ 900,000	\$ -	\$ 16,715,000
Total bonds payable					<u>\$ 17,615,000</u>	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ 16,715,000</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2022

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2021	Issued During Period	Paid and/ or Matured During Period	Refunded During Period	Outstanding as of 6-30-2022
Bonds Payable:									
Revenue Bonds - Series 2017	15,285,000	5.00%	12/7/17	12/1/26	\$ 9,890,000	\$ -	\$ 1,990,000	\$ -	\$ 7,900,000
Total bonds payable					<u>\$ 9,890,000</u>	<u>\$ -</u>	<u>\$ 1,990,000</u>	<u>\$ -</u>	<u>\$ 7,900,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

JUNE 30, 2022

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2021	Issued During Period	Paid and/ or Matured During Period	Refunded During Period	Outstanding as of 6-30-2022
Notes Payable:									
State Revolving Loans - CW0 2013-313	2,150,000	0.34%	9/27/12	1/20/35	\$ 1,111,442	\$ -	\$ 80,088	\$ -	\$ 1,031,354
State Revolving Loans - SRF 2013-314 ¹	8,953,352	0.34%	9/27/12	3/20/37	7,100,429	-	439,608	-	6,660,821
State Revolving Loans - CG3 2016-361	4,000,000	1.17%	4/7/16	2/20/38	3,226,728	-	176,388	-	3,050,340
State Revolving Loans - CG2 2016-363 ²	2,000,000	1.43%	10/29/15	5/20/37	1,630,190	-	91,860	-	1,538,330
State Revolving Loans - CG4 2016-362	4,000,000	1.17%	4/7/16	6/20/40	3,553,702	-	168,024	-	3,385,678
State Revolving Loans - SRF 2016-368 ³	2,000,000	1.25%	4/7/16	9/20/40	1,278,282	-	57,144	-	1,221,138
State Revolving Loans - SRF 2017-383 ⁴	1,400,000	1.55%	3/21/17	11/20/38	1,150,515	-	57,996	-	1,092,519
Total Notes Payable ⁵					<u>\$ 19,051,288</u>	<u>\$ -</u>	<u>\$ 1,071,108</u>	<u>\$ -</u>	<u>\$ 17,980,180</u>
Bonds Payable:									
Revenue Bonds - Series 2017	7,680,000	5.00%	12/7/17	12/1/22	\$ 3,305,000	\$ -	\$ 1,610,000	\$ -	\$ 1,695,000
Revenue Bonds - Series 2020	16,220,000	0.20 to 1.60%	12/17/20	6/1/32	16,060,000	-	335,000	-	15,725,000
Total Bonds Payable					<u>\$ 19,365,000</u>	<u>\$ -</u>	<u>\$ 1,945,000</u>	<u>\$ -</u>	<u>\$ 17,420,000</u>

Notes to Schedule:

¹ Includes two issue amounts of \$5,000,000 in September 2012 and \$3,953,352 in October 2013 for a new total issue amount of \$8,953,352, of which \$1,026 was not used.

² Total amount approved was \$2,000,000, of which \$7,620 was not used.

³ Total amount approved was \$2,000,000, of which \$712,262 was not used.

⁴ Total amount approved was \$1,400,000, of which \$103,742 was not used.

⁵ Original amount of issue includes \$1,011,050 of total principal forgiveness.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE
JUNE 30, 2022

Description	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding as of 7-1-2021	Issued During Period	Paid and/ or Matured During Period	Refunded During Period	Outstanding as of 6-30-2022
Bonds Payable:									
Revenue Bonds - Series 2013	\$ 58,800,000	0.60 to 3.40%	5/22/13	4/1/26	\$ 24,635,000	\$ -	\$ 4,635,000	\$ -	\$ 20,000,000
Total bonds payable					<u>\$ 24,635,000</u>	<u>\$ -</u>	<u>\$ 4,635,000</u>	<u>\$ -</u>	<u>\$ 20,000,000</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2022

Years Ended June 30,	Electric Revenue Bonds				Notes Payable		Total		
	Series 2014		Series 2020		Principal	Interest	Principal	Interest	Debt Service
	Principal	Interest	Principal	Interest					
2023	\$ 1,450,000	\$ 840,475	\$ 1,365,000	\$ 73,220	\$ 58,742	\$ -	\$ 2,873,742	\$ 913,695	\$ 3,787,437
2024	1,630,000	767,975	1,285,000	54,110	29,370	-	2,944,370	822,085	3,766,455
2025	1,660,000	686,475	1,355,000	36,120	29,370	-	3,044,370	722,595	3,766,965
2026	1,900,000	603,475	1,225,000	17,150	-	-	3,125,000	620,625	3,745,625
2027	3,230,000	508,475	-	-	-	-	3,230,000	508,475	3,738,475
2028	3,400,000	346,975	-	-	-	-	3,400,000	346,975	3,746,975
2029	3,500,000	244,975	-	-	-	-	3,500,000	244,975	3,744,975
2030	780,000	104,975	-	-	-	-	780,000	104,975	884,975
2031	800,000	80,600	-	-	-	-	800,000	80,600	880,600
2032	830,000	54,600	-	-	-	-	830,000	54,600	884,600
2033	850,000	27,625	-	-	-	-	850,000	27,625	877,625
	<u>\$20,030,000</u>	<u>\$4,266,625</u>	<u>\$ 5,230,000</u>	<u>\$ 180,600</u>	<u>\$ 117,482</u>	<u>\$ -</u>	<u>\$ 25,377,482</u>	<u>\$ 4,447,225</u>	<u>\$ 29,824,707</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - GAS FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2022

Years Ended June 30,	Series 2015 Bonds		Debt Service
	Principal	Interest	
2023	\$ 940,000	\$ 658,681	\$ 1,598,681
2024	970,000	630,481	1,600,481
2025	1,000,000	601,381	1,601,381
2026	1,050,000	551,381	1,601,381
2027	1,100,000	498,881	1,598,881
2028	1,505,000	443,881	1,948,881
2029	1,590,000	368,631	1,958,631
2030	1,300,000	289,131	1,589,131
2031	1,360,000	237,131	1,597,131
2032	1,410,000	182,731	1,592,731
2033	1,450,000	140,431	1,590,431
2034	1,495,000	96,931	1,591,931
2035	1,545,000	50,213	1,595,213
	<u>\$ 16,715,000</u>	<u>\$ 4,749,885</u>	<u>\$ 21,464,885</u>



JACKSON ENERGY AUTHORITY - WATER FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2022

Years Ended June 30,	Series 2017 Bonds		Total
	Principal	Interest	Debt Service
2023	\$ 2,090,000	\$ 342,750	\$ 2,432,750
2024	2,195,000	235,625	2,430,625
2025	1,145,000	152,125	1,297,125
2026	1,205,000	93,375	1,298,375
2027	1,265,000	31,625	1,296,625
	<u>\$ 7,900,000</u>	<u>\$ 855,500</u>	<u>\$ 8,755,500</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SCHEDULE OF LONG-TERM DEBT
JUNE 30, 2022

Years Ended June 30,	Series 2017 Bonds		Series 2020 Bonds		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Debt Service
2023	\$ 1,695,000	\$ 42,375	\$ 335,000	\$ 171,075	\$ 2,030,000	\$ 213,450	\$ 2,243,450
2024	-	-	1,650,000	169,903	1,650,000	169,903	1,819,903
2025	-	-	1,665,000	161,652	1,665,000	161,652	1,826,652
2026	-	-	1,670,000	150,830	1,670,000	150,830	1,820,830
2027	-	-	1,680,000	136,635	1,680,000	136,635	1,816,635
2028	-	-	1,700,000	119,835	1,700,000	119,835	1,819,835
2029	-	-	1,720,000	101,135	1,720,000	101,135	1,821,135
2030	-	-	1,740,000	79,635	1,740,000	79,635	1,819,635
2031	-	-	1,765,000	55,275	1,765,000	55,275	1,820,275
2032	-	-	1,800,000	28,800	1,800,000	28,800	1,828,800
	<u>\$ 1,695,000</u>	<u>\$ 42,375</u>	<u>\$15,725,000</u>	<u>\$1,174,775</u>	<u>\$ 17,420,000</u>	<u>\$ 1,217,150</u>	<u>\$ 18,637,150</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND

SCHEDULE OF LONG-TERM DEBT - NOTES PAYABLE

JUNE 30, 2022

Years Ended	CW0 2013-313		SRF 2013-314		CG2 16-363		CG3 16-361		CG4 16-362		SRF 2016-368		SRF 17-383		Total		
June 30,	Principal	Interest	Principal ¹	Interest	Principal ²	Interest	Principal	Interest	Principal	Interest	Principal ³	Interest	Principal ⁴	Interest	Principal	Interest	Debt Service
2023	\$ 80,364	\$ 4,176	\$ 441,108	\$ 27,132	\$ 93,192	\$ 22,584	\$ 178,452	\$ 37,116	\$ 170,004	\$ 41,352	\$ 57,864	\$ 15,900	\$ 58,908	\$ 17,364	\$ 1,079,892	\$ 165,624	\$ 1,245,516
2024	80,640	3,840	442,608	25,272	94,524	21,168	180,552	34,872	171,996	39,216	58,596	15,120	59,820	16,404	1,088,736	155,892	1,244,628
2025	80,916	3,504	444,120	23,412	95,892	19,728	182,676	32,604	174,024	37,056	59,340	14,328	60,756	15,420	1,097,724	146,052	1,243,776
2026	81,192	3,156	445,632	21,540	97,272	18,276	184,824	30,312	176,064	34,872	60,084	13,536	61,704	14,424	1,106,772	136,116	1,242,888
2027	81,468	2,820	447,144	19,668	98,664	16,800	187,008	27,972	178,140	32,652	60,840	12,732	62,664	13,416	1,115,928	126,060	1,241,988
2028	81,744	2,472	448,668	17,784	100,092	15,300	189,204	25,632	180,240	30,408	61,596	11,928	63,648	12,384	1,125,192	115,908	1,241,100
2029	82,020	2,136	450,192	15,900	101,532	13,776	191,424	23,256	182,352	28,152	62,376	11,100	64,644	11,328	1,134,540	105,648	1,240,188
2030	82,296	1,788	451,728	14,004	102,996	12,228	193,680	20,844	184,500	25,860	63,156	10,260	65,652	10,272	1,144,008	95,256	1,239,264
2031	82,584	1,440	453,264	12,108	104,472	10,668	195,960	18,408	186,672	23,544	63,948	9,420	66,672	9,204	1,153,572	84,792	1,238,364
2032	82,860	1,092	454,812	10,200	105,972	9,084	198,264	15,948	188,868	21,192	64,752	8,568	67,716	8,100	1,163,244	74,184	1,237,428
2033	83,148	744	456,360	8,280	107,508	7,464	200,592	13,464	191,088	18,816	65,568	7,704	68,772	6,996	1,173,036	63,468	1,236,504
2034	83,424	396	457,920	6,360	109,056	5,832	202,956	10,932	193,332	16,428	66,396	6,816	69,840	5,868	1,182,924	52,632	1,235,556
2035	48,698	56	459,480	4,428	110,616	4,176	205,344	8,388	195,612	13,992	67,236	5,928	70,932	4,716	1,157,918	41,684	1,199,602
2036	-	-	461,040	2,508	112,212	2,496	207,756	5,808	197,904	11,544	68,076	5,028	72,048	3,552	1,119,036	30,936	1,149,972
2037	-	-	346,745	606	104,330	792	210,204	3,192	200,232	9,048	68,928	4,128	73,164	2,376	1,003,603	20,142	1,023,745
2038	-	-	-	-	-	-	141,444	662	202,596	6,528	69,792	3,204	74,304	1,176	488,136	11,570	499,706
2039	-	-	-	-	-	-	-	-	204,972	3,984	70,680	2,256	31,275	124	306,927	6,364	313,291
2040	-	-	-	-	-	-	-	-	207,082	1,404	71,568	1,320	-	-	278,650	2,724	281,374
2041	-	-	-	-	-	-	-	-	-	-	60,342	380	-	-	60,342	380	60,722
	<u>\$1,031,354</u>	<u>\$27,620</u>	<u>\$6,660,821</u>	<u>\$209,202</u>	<u>\$1,538,330</u>	<u>\$180,372</u>	<u>\$3050,340</u>	<u>\$309,410</u>	<u>\$3,385,678</u>	<u>\$396,048</u>	<u>\$1,221,138</u>	<u>\$159,656</u>	<u>\$1,092,519</u>	<u>\$153,124</u>	<u>\$17,980,180</u>	<u>\$1,435,432</u>	<u>\$19,415,612</u>

¹ The schedule reflects a final loan amount of \$1,026 less than the total approved.

² The schedule reflects a final loan amount of \$7,620 less than the total approved.

³ The schedule reflects a final loan amount of \$712,262 less than the total approved.

⁴ The schedule reflects a final loan amount of \$103,742 less than the total approved.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
SCHEDULE OF LONG-TERM DEBT
 JUNE 30, 2022

Years Ended	Series 2013 Bonds		Total
June 30,	Principal	Interest	Debt Service
2023	\$ 4,770,000	\$ 648,400	\$ 5,418,400
2024	4,915,000	502,915	5,417,915
2025	5,075,000	345,635	5,420,635
2026	5,240,000	178,160	5,418,160
	<u>\$ 20,000,000</u>	<u>\$ 1,675,110</u>	<u>\$ 21,675,110</u>

The Electric Fund Debt Service Reserve loan in the amount of \$5,500,000 is not listed above.

The Telecommunications Fund pays interest only and no repayment schedule was agreed upon at June 30, 2022.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE
JUNE 30, 2022

Residential rate schedule RS

Customer charge - per delivery point per month	\$	20.02
Energy charge - cents per kWh		10.977¢

General power schedule

GSA1

Customer charge - per delivery point per month	\$	30.83
Energy charge - cents per kWh		10.480¢

GSA2

Customer charge per delivery point per month	\$	92.49
Demand charges - per kW per month over 51 kW	\$	13.96
Energy charge - cents per kWh		
First 15,000 kWh per month		11.473¢
Additional kWh per month		6.943¢

GSA3

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month		
First 1,000 kW	\$	12.81
Excess over 1,000 kW	\$	12.70
Energy charge - cents per kWh		7.289¢

GSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.87
Excess demand - ON PEAK	\$	10.87
Demand charges - per kW per month - Max		4.60¢
Energy charge - cents per kWh Onpeak		9.407¢
Energy charge - cents per kWh Offpeak 1		6.916¢
Energy charge - cents per kWh Offpeak 2		3.458¢
Energy charge - cents per kWh Offpeak 3		3.117¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

Outdoor lighting rate schedule

LS

Base charge - athletic field and traffic signal divisions per month	\$	3.75
Energy charge - cents per kWh		7.805¢
Facilities charge - percent of installed plant		12.00%

Security Lighting

175 W MV - 70 kWh	\$	8.64
400 W MV - 155 kWh	\$	17.64
1000 W MV - kWh	\$	35.36
100 W HPS - 42 kWh	\$	8.64
250 W HPS - 105 kWh	\$	15.52
400 W HPS - 165 kWh	\$	20.36
150 W MH - 68 kWh	\$	12.55
LED 100 W EQ - 73kWh	\$	8.60
LED 250 W EQ - 161kWh	\$	13.64
Additional monthly pole charge		
30 foot	\$	2.25
40 foot	\$	3.75



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
ELECTRIC RATES IN FORCE (Continued)
 JUNE 30, 2022

Manufacturing rate schedule

MSA

Customer charge per delivery point per month	\$	477.88
Demand charges - per kW per month	\$	11.76
Additional Kw per month	\$	11.63
Energy charge - cents per kWh		7.289¢

MSB

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.65
Energy charge - cents per kWh Onpeak		8.483¢
Energy charge - cents per kWh Offpeak 1		5.983¢
Energy charge - cents per kWh Offpeak 2		3.014¢
Energy charge - cents per kWh Offpeak 3		2.759¢
Facilities charge-cents below 161 KV to 46 KV		48.00¢
below 46 KV to first 10,000 kW	\$	1.23
cents for all additional kW per month		97.00¢

MSD

Customer charge per delivery point per month	\$	2,000.00
Admin Charge	\$	350.00
Demand charges - per kW per month - ON PEAK	\$	10.24
Excess demand - ON PEAK	\$	10.24
Demand charges - per kW per month - Max	\$	1.64
Energy charge - cents per kWh Onpeak		8.144¢
Energy charge - cents per kWh Offpeak 1		5.643¢
Energy charge - cents per kWh Offpeak 2		2.986¢
Energy charge - cents per kWh Offpeak 3		2.927¢
Facilities charge - cents below 161 to 46 KV		48.00¢
below 46 KV to first 10,000 KW	\$	1.23
cents for all additional KW per month		97.00¢

TGSA - Time-of-Use

Customer charge per delivery point per month	\$	477.88
Demand Charges - per Kw -ON PEAK	\$	8.40
Demand charges - per kW per month - Max	\$	5.75
Energy charge - cents per kWh Onpeak		9.378¢
Energy charge - cents per kWh Offpeak 1		7.070¢

The Electric Fund served 36,091 and 36,507 customers as of June 30, 2021, and June 30, 2022 respectively. There are no customers without meters.



**JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE
JUNE 30, 2022**

RATE SCHEDULE R-1

<u>Monthly Rates</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 5 Ccf	108.37¢ per therm	39.49¢ per therm	5.32¢ per therm	153.18¢ per therm
Next 5 Ccf	97.68¢ per therm	39.49¢ per therm	5.32¢ per therm	142.49¢ per therm
Next 20 Ccf	86.97¢ per therm	39.49¢ per therm	5.32¢ per therm	131.78¢ per therm
Excess over 30 Ccf	76.25¢ per therm	39.49¢ per therm	5.32¢ per therm	121.06¢ per therm

Customer Charge - \$14.75 per meter (October - April) / \$7.50 (May - September)

RATE SCHEDULE G-1

<u>Monthly Rates</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 10 Ccf	104.41¢ per therm	39.49¢ per therm	5.32¢ per therm	149.22¢ per therm
Next 40 Ccf	94.70¢ per therm	39.49¢ per therm	5.32¢ per therm	139.51¢ per therm
Next 50 Ccf	84.97¢ per therm	39.49¢ per therm	5.32¢ per therm	129.78¢ per therm
Excess over 100 Ccf	75.28¢ per therm	39.49¢ per therm	5.32¢ per therm	120.09¢ per therm

Customer Charge - \$28.00 per meter (October - April) / \$12.00 (May - September)

RATE SCHEDULE G-2

Maximum Daily Demand				75 ¢ per therm
<u>Monthly Rates</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 1,000 therms	72.38 ¢ per therm	39.49¢ per therm	5.32¢ per therm	117.19¢ per therm
Next 4,000 therms	62.92 ¢ per therm	39.49¢ per therm	5.32¢ per therm	107.73¢ per therm
Next 10,000 therms	56.9 ¢ per therm	39.49¢ per therm	5.32¢ per therm	101.71¢ per therm
Over 15,000 therms	55.04 ¢ per therm	39.49¢ per therm	5.32¢ per therm	99.85¢ per therm

Minimum monthly charge: \$180.00 per meter

**OFF-PEAK GAS RATE SCHEDULE OP-1
MONTHLY RATE**

<u>Demand Charge</u>	<u>Base Rate</u>	<u>Current Rate</u>		
First 250 Ccf	\$150.00 minimum	\$150.00 minimum		
Excess over 250 Ccf	40.00¢ per therm	40.00¢ per therm		
<u>Commodity Charge</u>	<u>Base Rate</u>	<u>Purchased Gas Adjustment</u>	<u>Surcharge Adjustment</u>	<u>Current Rate</u>
First 1,000 Ccf	73.16¢ per therm	37.06¢ per therm	6.14¢ per therm	116.36¢ per therm
Next 4,000 Ccf	63.70¢ per therm	37.06¢ per therm	6.14¢ per therm	106.90¢ per therm
Next 10,000 Ccf	57.68¢ per therm	37.06¢ per therm	6.14¢ per therm	100.88¢ per therm
Excess over 15,000 Ccf	55.82¢ per therm	37.06¢ per therm	6.14¢ per therm	99.02¢ per therm



JACKSON ENERGY AUTHORITY - GAS FUND
GAS RATES IN FORCE (Continued)
JUNE 30, 2022

Interruptible Gas Transportation Rate Schedule T-1
Monthly Rate

Commodity Charge	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 120,000 Ccf	9.9600¢ per therm			9.9600¢ per therm
Next 170,000 Ccf	6.3100¢ per therm			6.3100¢ per therm
Next 200,000 Ccf	3.1100¢ per therm			3.1100¢ per therm
Over 490,000 Ccf	1.0100¢ per therm			1.0100¢ per therm

Customer charge: \$200.00 per meter

Firm Gas Transportation Rate Schedule T-2
Monthly Rate

Demand Charge	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 1,000 Ccf	\$400.00 minimum			\$400.00 minimum
Excess over 1,000 Ccf	40.00¢ per therm			40.00¢ per therm

Commodity Charge	Base Rate	Purchased Gas Adjustment	Surcharge Adjustment	Current Rate
First 120,000 Ccf	11.400¢ per therm			11.400¢ per therm
Next 170,000 Ccf	7.710¢ per therm			7.710¢ per therm
Next 200,000 Ccf	4.630¢ per therm			4.630¢ per therm
Over 490,000 Ccf	1.910¢ per therm			1.910¢ per therm

Index Gas Rate Schedule I-1

Customer Charge - \$200.00 per meter

Commodity Charge: Index price plus \$0.51 per MMBtu

Commodity Discount Rider: minus \$0.10 per MMBtu

Commodity Charge	Current Rate
First 120,000 Ccf	9.96¢ per therm
Next 170,000 Ccf	6.31¢ per therm
Next 200,000 Ccf	3.11¢ per therm
Over 490,000 Ccf	1.01¢ per therm

The Gas Fund served 31,691 and 31,242 natural gas customers as of June 30, 2021 and 2022, respectively. There are no customers without meters.

The Gas Fund served 2,737 and 2,733 propane customers as of June 30, 2021 and 2022, respectively.

Firm Propane Rate Schedule

Monthly Rate

Metered Service - \$2.35 per gallon

Customer charge of \$4.00 per month

Bulk Service - \$2.64 per gallon - propane tank, with an annual tank rental fee of \$42.00

Rate fluctuates with market



JACKSON ENERGY AUTHORITY - WATER FUND
WATER RATES IN FORCE
JUNE 30, 2022

Monthly Residential rates
Thousands of Gallons

	Minimum Charge		First 7	Next 43	Over 50
Water rates per 100 gallons:	See Below	Included in min	\$ 0.3470	\$ 0.2810	\$ 0.1670

Minimum Monthly Bill
Meter Size

	5/8"	1"	1 1/2"	2"
Urban	\$ 11.72	\$ 15.83	\$ 19.73	\$ 23.30
Rural	12.50	18.42	29.06	43.33

Monthly General Service Rates
Thousands of Gallons

	Minimum Charge		First 15	Next 185	Next 300	Next 500	Next 1000
Water rates per 100 gallons:	See Below	Included in min	\$ 0.4120	\$ 0.3160	\$0.1990	\$0.1710	\$0.1210

Minimum Monthly Bill
Meter Size

	5/8"	1"	1 1/2"	2"	3"	4"	6"	8"
	\$ 18.48	\$ 23.22	\$ 29.44	\$ 43.60	\$ 78.19	\$ 121.98	\$ 162.35	\$ 414.82

The Water Fund served 37,791 and 38,287 water customers as of June 30, 2021 and 2022, respectively.

There are no customers without meters; however the Fund furnishes the City of Jackson, Tennessee, sufficient water for fire protection.



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
WASTEWATER RATES IN FORCE
 JUNE 30, 2022

Monthly Residential Rates

Thousands of Gallons

Customer Charge	0-9999999
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Wastewater rates per 100 gallons:

Urban RI	\$	7.76	\$	0.5360
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Monthly General Service Rates

Thousands of Gallons

Customer Charge	0-500	Next 500	Over 1,000
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Wastewater rates per 100 gallons:

Urban GI	\$	26.78	\$	0.5800	\$	0.5260	\$	0.3620
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The Wastewater Fund served 30,529 and 30,973 customers as of June 30, 2021 and 2022, respectively.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE
JUNE 30, 2022

RESIDENTIAL CABLE RATE - SCHEDULE R-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 46.00	per month
Analog Expanded Service	\$ 65.50	per month
Analog Standard Service (Basic & Expanded)	\$ 111.50	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Plus Service Tier	\$ 18.50	per month
Digital Hispanic Service		per month
Digital High Definition Service Tier	\$ 9.00	per month
Home Box Office - Digital Premium Service	\$ 22.75	per month
EPIX - Digital Premium Service	\$ 15.00	per month
Cinemax - Digital Premium Service	\$ 17.00	per month
Showtime Unlimited - Digital Premium Service	\$ 21.50	per month
Starz Super Pack - Digital Premium Service	\$ 16.50	per month
TV Japan - Digital Premium Service	\$ 25.00	per month
MoviePlex	\$ 1.00	per month
IndiePlex	\$ 1.00	per month
RetroPlex	\$ 1.00	per month
Starz Encore Espanol	\$ 1.00	per month
IP STB	\$ 7.50	per month
EPlus TV Technology Fee	\$ 7.50	per month

Customer Premise Equipment

Standard Digital Converter, first converter	\$ 6.50	per month each
High Definition/DVR Digital Converter	\$ 22.00	per month each
Cable Card	\$ 6.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
Multi-Room DVR Service	\$ 10.00	per month each
TiVo	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each

GENERAL CABLE RATE - SCHEDULE G-1

Programming Service Categories

Analog Basic Service (Lifetime Service)	\$ 55.00	per month
Analog Expanded Service (Basic and Expanded)	\$ 111.50	per month
Fox Sports Net (requires Expanded Service)	\$ 60.00	per month
SportsSouth (requires Expanded Service)	\$ 60.00	per month
Digital High Definition Service Tier	\$ 28.00	per month
Digital Surcharge for Galaxie Music and Interactive Program Guide	\$ 27.00	per month
TV Japan - Digital Premium Service	\$ 50.00	per month

Digital Pay-Per-View Events

Event units charged times fire code occupancy
rating or other terms of the program supplier.

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Digital Converter	\$ 22.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
Cable Card	\$ 6.00	per month each
TiVo	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2022

GENERAL CABLE RATE SCHEDULE G-2

Programming Service Categories

Analog Basic Service	\$ 55.00	per month
Analog Standard Service (Basic & Expanded)	\$ 111.50	per month
Digital Basic Service - Included with analog lifetime service, requires digital converter or digital television		
Digital Service Tier	\$ 18.50	per month
Digital High Definition Service Tier	\$ 9.00	per month

Customer Premise Equipment

Standard Digital Converter	\$ 6.50	per month each
High Definition/DVR Converter	\$ 22.00	per month each
Cable Card	\$ 6.00	per month each
High Definition Digital Converter	\$ 10.00	per month each
TiVo	\$ 23.00	per month each
TiVo Mini	\$ 10.00	per month each

GENERAL BULK CABLE RATE - SCHEDULE B-1

Residential Bulk Analog Cable Television service, single unit

Analog Standard Service	\$ 44.45	unit per month
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GENERAL BULK CABLE RATE - SCHEDULE B-2

Commercial and Non-Residential Analog Cable Television service, single unit

Analog Standard Service	\$ 44.45	unit per month
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RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Telephone Service Levels

Basic Service	\$ 15.95	per month
Basic Feature Pack (optional)	\$ 10.00	per month
Basic Plus Service	\$ 24.00	per month
Basic Plus Feature Pack (optional)	\$ 7.00	per month
Preferred Service	\$ 24.95	per month
Preferred Service Feature Pack (optional)	\$ 5.00	per month
Eplus Phone - All-Inclusive	\$ 30.00	per month

Optional Features and Per Use Charges

Voicemail	\$ 4.95	per month
Directory Assistance - Call Completion	\$ 0.45	per call
Directory Assistance - Local	\$ 1.25	per call
Directory Assistance - National	\$ 1.25	per call
Private Listing	\$ 3.33	per listing
Semi-Private Listing	\$ 1.73	per listing
Additional Listing	\$ 1.14	per listing

RESIDENTIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

EPlus Phone - All-Inclusive	\$ 30.00	per month
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JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2022

RESIDENTIAL TELEPHONE RATE - SCHEDULE R-1

Optional Features and Per Use Charges

Residential Intra and Inter Long Distance	\$ 0.069	per minute
Residential Toll Free Long Distance	\$ 0.099	per minute
Unlimited Plan	\$ 14.95	per month
International Long Distance	Varies	

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

POTS Telephone Service Levels

Business Local Link (12 month contract)	\$ 56.95	per month
Business Local Link (36 month contract)	\$ 54.95	per month
Business One Link (12 month contract)	\$ 26.95	per month
Business One Link (36 month contract)	\$ 24.95	per month

A la carte Features

Anonymous Call Rejection	\$ 4.30	per month
Call Forwarding Busy Line	\$ 4.30	per month
Call Forwarding No Answer	\$ 4.30	per month
Call Forwarding Variable	\$ 6.10	per month
Call Return	\$ 6.20	per month
Call Waiting/Cancel Call Waiting	\$ 6.65	per month
Call Waiting w/ Caller ID	\$ 6.65	per month
Caller ID Deluxe	\$ 8.50	per month
Per Call Block w/ Caller ID	\$ 5.25	per month
Remote Access Call Forwarding	\$ 6.65	per month
Speed Calling 30	\$ 4.75	per month
Three-Way Calling	\$ 6.20	per month
Hunting	No Charge	
Voicemail	\$ 6.95	per month
Transfer Mailbox	No Charge	

Directory Listings

Additional Listing	\$ 2.10	per month
Foreign Listing	\$ 2.10	per month
Alternate Call listing	\$ 2.10	per month
Alphabetical Service Listing	\$ 2.10	per month
Cross Reference Listing	\$ 2.10	per month
Non-Published Service	\$ 4.50	per month
Non-Listed Service	\$ 2.20	per month

COMMERCIAL OUTSIDE CITY TELEPHONE RATE

Telephone Service Levels

Union City Basic (3 year contract)	\$ 15.00	per month
Union City Basic (5 year contract)	\$ 12.95	per month
Union City One Link	\$ 24.00	per month
Union City Local Link	\$ 46.00	per month
Union City Premium (3 year contract)	\$ 31.95	per month
Union City Premium (5 year contract)	\$ 29.95	per month
Milan Basic (3 year contract)	\$ 14.95	per month
Milan Basic (5 year contract)	\$ 12.95	per month
Milan One Link	\$ 24.00	per month
Milan Local Link	\$ 46.00	per month
Milan Premium (3 year contract)	\$ 31.95	per month
Milan Premium (5 year contract)	\$ 29.95	per month

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2022

COMMERCIAL TELEPHONE RATE - SCHEDULE G-1

Directory and Operator Assistance

Directory Assistance - Local	\$ 0.98	per call
Directory Assistance - National	\$ 0.98	per call
Directory Assistance - Call Completion	\$ 0.45	per call
Operator Assisted Services Surcharge	\$ 2.25	per call

Long Distance Per Minute and Packages

Business Intralata/Interstate per minute	\$ 0.05	per minute
Business Toll-Free per minute	\$ 0.05	per minute + \$2.00 monthly
Toll-Free Vanity Number Search	\$ 5.00	per month
Verified Project Account Codes	\$ 5.00	per month
	\$ 20.00	Non-Recurring Charge
Non-Verified Project Account Codes	No MRC	
	\$ 10.00	Non-Recurring Charge
Unlimited Long Distance	\$ 20.00	First Line
	\$ 15.00	Each Add'l Line

RESIDENTIAL INTERNET RATE - SCHEDULE R-1

512 kilobits down/256 kilobits up	*	\$ 24.95	per month
4 Megabits down/512 kilobits up	*	\$ 29.95	per month
5 Megabits down/1 Megabit up	*	\$ 38.80	per month
6 Megabits down/768 kilobits up	*	\$ 39.95	per month
10 Megabits down/1.5 Megabit up	*	\$ 54.95	per month
15 Megabits down/5 Megabits up	*	\$ 70.00	per month
15 Megabits down/15 Megabits up	*	\$ 100.00	per month
25 Megabits down/5 Megabit up	*	\$ 100.00	per month
25 Megabits down/25 Megabit up	*	\$ 180.00	per month
50 Megabits down/10 Megabit up	*	\$ 180.00	per month
90 Megabits down/50 Megabits up	*	\$ 125.00	per month
10 Megabits down/100 Megabits up	*	\$ 350.00	per month
60 Megabits down/10 Megabit up	*	\$ 60.00	per month
75 Megabits down/25 Megabits up	*	\$ 75.00	per month
100 Megabits down/100 Megabits up	*	\$ 75.00	per month
300 Megabits down/300 Megabits up		\$ 51.99	per month
1000 Megabits down/1000 Megabits up		\$ 75.00	per month
Double Upload Speed Adder		\$ 40.00	per month
Static IP Address		\$ 10.00	per month
Basic Home Area Network		\$ 15.00	per month
Enhanced Home Area Network		\$ 30.00	per month

* Existing customers in these rate plans will be allowed to keep these rate plans and existing pricing although these rate plans will no longer be available for new customers.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2022

GENERAL INTERNET RATE - SCHEDULE G-1

Asymmetrical Service Levels

2 Megabits down/384 kilobits up	*	\$ 50.00	per month
4 Megabits down/512 kilobits up	*	\$ 69.95	per month
5 Megabits down/2 megabits up	*	\$ 85.00	per month
6 Megabits down/2 Megabits up	*	\$ 99.95	per month
10 Megabits down/3 Megabits up	*	\$ 149.95	per month
20 Megabits down/4 Megabits up	*	\$ 249.95	per month
20 Megabits down/20 Megabits up	*	\$ 165.00	per month
25 Megabits down/5 Megabits up	*	\$ 165.00	per month
25 Megabits down/25 Megabits up	*	\$ 295.00	per month
50 Megabits down/25 Megabits up	*	\$ 400.00	per month
75 Megabits down/25 Megabits up	*	\$ 500.00	per month
100 Megabits down/50 Megabits up	*	\$ 850.00	per month
Double Upload Speed Adder	*	\$ 100.00	per month
65 Megabits down x 25 Megabits up		\$ 70.00	per month
80 Megabits down x 50 Megabits up		\$ 150.00	per month
100 Megabits down x 75 Megabits up		\$ 250.00	per month
100 Megabits down x 100 Megabits up		\$ 150.00	per month
500 Megabits down x 500 Megabits up		\$ 250.00	per month
1000 Megabits down x 1000 Megabits up		\$ 499.00	per month

* Existing customers in these rate plans will be allowed to keep these rate plans and existing pricing although these rate plans will no longer be available for new customers.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
TELECOMMUNICATIONS RATES IN FORCE (Continued)
JUNE 30, 2022

GENERAL INTERNET RATE - SCHEDULE G-1

Guaranteed Internet Service

768 kilobits down/768 kilobits up	\$ 250.00	per month
1.5 Megabits down/1.5 Megabits up	\$ 500.00	per month
3 Megabits down/3 Megabits up	\$ 750.00	per month
6 Megabits down/6 Megabits up	\$1,495.00	per month
10 Megabits down/10 Megabits up	\$1,995.00	per month
15 Megabits down/15 Megabits up	\$2,195.00	per month
100 Megabits down/100 Megabits up	\$2,205.00	per month
250 Megabits down/250 Megabits up	\$2,520.00	per month
500 Megabits down/500 Megabits up	\$3,360.00	per month
1000 Megabits down/1000 Megabits up	\$4,725.00	per month

Commercial Metro Ethernet Service Levels (Guaranteed Bandwidth)

2 Megabits down/2 Megabits up	\$ 140.00	per month
4 Megabits down/4 Megabits up	\$ 240.00	per month
6 Megabits down/6 Megabits up	\$ 375.00	per month
8 Megabits down/8 Megabits up	\$ 495.00	per month
10 Megabits down/10 Megabits up	\$ 625.00	per month
20 Megabits down/20 Megabits up	\$1,050.00	per month
40 Megabits down/40 Megabits up	\$1,140.00	per month
100 Megabits down/100 Megabits up	\$2,100.00	per month
250 Megabits down/250 Megabits up	\$2,300.00	per month
500 Megabits down/500 Megabits up	\$2,700.00	per month
1000 Megabits down/1000 Megabits up	\$3,700.00	per month

<u>IP Address Assignment</u>	<u>IP Addresses</u>	<u>Usable Addresses</u>	<u>NRC</u>	<u>Monthly Charges</u>
/32	1	1	\$ 25.00	\$ 10.00
/29	8	5	\$ 25.00	\$ 15.00
/28	16	13	\$ 50.00	\$ 20.00
/27	32	29	\$ 50.00	\$ 30.00
/26	64	61	\$ 50.00	\$ 40.00
/25	128	125	\$ 50.00	\$ 80.00
/24	256	253	\$ 50.00	\$120.00

The Telecommunications Fund served 21,188 and 21,611 customers as of June 30, 2021 and 2022, respectively.



JACKSON ENERGY AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor	CFDA No.	Contract Number	Expenditures
Federal Awards:			
U.S. Department of Housing and Urban Development / Tennessee Department of Economic and Community Development - Wastewater - CDBG-NDR	14.228*	33004-24017	<u>2,588,238</u>
U S Department of Homeland Security - FEMA / TN Department of the Military - TEMA - Disaster Assistance -			
Electric	97.036	113-07C7F-00	16,720
Gas	97.036	113-07C7F-00	16,174
Water	97.036	113-07C7F-00	40,585
Wastewater	97.036	113-07C7F-00	42,494
Telecom	97.036	113-07C7F-00	<u>42,494</u>
Total Homeland Security			<u>158,467</u>
Total federal awards			<u>2,746,705</u>
Total federal awards and state financial assistance			<u>\$ 2,746,705</u>
* - Denotes major program			
** - Loan program			

See Notes on page 125 related to the schedule above.



JACKSON ENERGY AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the Federal and State award activity of Jackson Energy Authority under programs of the Federal and State government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jackson Energy Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jackson Energy Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Jackson Energy Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2022

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (kWh)</u>	<u>Peak Demand (kW)</u>
1	Owens Corning	\$ 9,403,134	168,330,798	21,666
2	Kellogg Company	7,509,850	143,666,327	21,498
3	West TN Healthcare	5,045,745	65,674,281	8,488
4	Berry Plastics	2,267,972	37,713,469	5,530
5	ConAgra (Pinnacle Foods)	2,238,656	40,518,356	6,534
6	Bodine Aluminum	1,943,755	34,602,620	5,660
7	Equistar (Lyondell Basell)	1,855,581	27,185,712	4,730
8	Carlstar (Carlisle Transportation)	1,752,377	25,194,284	4,908
9	Stanley Black & Decker	1,346,341	24,331,172	4,852
10	Printpack	<u>1,197,116</u>	<u>18,923,879</u>	<u>3,326</u>
Total		<u>\$34,560,527</u>	<u>586,140,898</u>	<u>87,192</u>



JACKSON ENERGY AUTHORITY - GAS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2022

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (ccf)</u>
1	West TN Healthcare	\$ 1,880,348	3,138,798
2	Carlstar (Carlisle Transportation)	926,538	1,493,526
3	Pace Industries (Jackson Die Casting)	594,400	873,264
4	Tennalum	524,166	784,729
5	Kellogg Company	418,332	13,133,355
6	Gerdau Ameristeel	408,781	12,311,620
7	Stanley Black & Decker	362,923	496,549
8	Dement Construction	352,898	470,054
9	Foam Fabricators	307,711	476,386
10	Waste Management	<u>279,565</u>	<u>439,504</u>
Total		<u>\$ 6,055,662</u>	<u>33,617,785</u>



JACKSON ENERGY AUTHORITY - WATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2022

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 467,511	369,249,100
2	West TN Healthcare	343,564	224,890,100
3	Sunshine Corp. (Cherry Grove)	103,472	14,417,500
4	JHA	102,751	22,158,200
5	ConAgra (Pinnacle Foods)	85,664	59,392,800
6	Delta Faucet Company	60,077	38,896,300
7	Equistar (Lyondell Basell)	54,969	35,842,500
8	Bodine Aluminum	40,072	19,237,100
9	Stanley Black & Decker	34,308	14,002,300
10	Carlstar (Carlisle Transportation)	<u>28,517</u>	<u>12,840,600</u>
Total		<u>\$ 1,320,905</u>	<u>810,926,500</u>



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2022

<u>Number</u>	<u>Company</u>	<u>Revenue</u>	<u>Consumption (gal)</u>
1	Kellogg Company	\$ 1,477,095	362,703,800
2	West TN Healthcare	741,367	178,599,400
3	Owens Corning	280,590	66,823,300
4	ConAgra (Pinnacle Foods)	244,385	42,991,300
5	Union University	195,390	31,509,500
6	Delta Faucet Company	163,950	38,879,800
7	Gerdau Ameristeel	152,059	35,491,000
8	Equistar (Lyondell Basell)	129,190	31,738,900
9	JHA	120,517	18,749,200
10	Sunshine Corp. (Cherry Grove)	<u>112,663</u>	<u>14,417,500</u>
Total		<u>\$ 3,617,206</u>	<u>821,903,700</u>

See independent auditor's report.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
LARGEST CUSTOMERS BY YEARLY REVENUE - UNAUDITED
 JUNE 30, 2022

Number	Company	Revenue
1	Jackson Madison County Schools	\$ 547,563
2	Jackson Madison County General Hospital	411,827
3	Jackson Energy Authority	256,864
4	Lane College	107,988
5	Iris Networks	106,348
6	Windstream	100,100
7	City of Jackson	91,833
8	Union University	89,337
9	Kirklands Distribution Center	60,060
10	SM Stonewater LLC	<u>39,459</u>
Total		<u>\$ 1,811,379</u>



JACKSON ENERGY AUTHORITY - ELECTRIC FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements	Bond Debt Service Coverage
2022	\$ 152,569,867	\$ 129,967,148	\$ 22,602,719	\$ 3,813,065	5.93
2021	140,839,844	121,640,493	19,199,351	3,832,579	5.01
2020	142,818,999	122,384,312	20,434,687	3,834,829	5.33
2019	149,192,922	124,588,579	24,604,343	3,843,381	6.40
2018	147,981,222	126,951,637	21,029,585	3,845,858	5.47
2017	150,733,256	131,153,107	19,580,149	3,852,981	5.08
2016	143,976,091	127,302,979	16,673,112	3,849,806	4.33
2015	144,955,442	130,644,761	14,310,681	2,704,996	5.29
2014	148,380,900	132,246,070	16,134,830	2,723,563	5.92
2013	152,144,653	132,359,558	19,785,095	2,718,273	7.28
2012	148,912,142	132,330,615	16,581,527	2,684,009	6.18

See independent auditor's report.



**JACKSON ENERGY AUTHORITY - GAS FUND
HISTORICAL BOND COVERAGE - UNAUDITED**
Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2022	\$ 43,005,030	\$ 31,341,886	\$ 11,663,144	\$ 1,594,681	7.31
2021	36,445,785	25,995,973	10,449,812	1,599,481	6.53
2020	33,819,750	23,429,362	10,390,388	1,592,681	6.52
2019	37,620,832	23,400,241	14,220,591	1,596,982	8.90
2018	39,130,511	26,833,175	12,297,336	2,662,298	4.62
2017	33,398,799	23,753,565	9,645,234	2,973,780	3.24
2016	30,579,094	21,694,038	8,885,056	2,073,664	4.28
2015	40,196,022	29,564,497	10,631,525	1,772,590	6.00
2014	42,753,752	31,871,234	10,882,518	1,815,053	6.00
2013	36,296,080	28,274,573	8,021,507	1,834,490	4.37
2012	32,567,669	26,019,675	6,547,994	1,743,735	3.76

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.



**JACKSON ENERGY AUTHORITY - WATER FUND
HISTORICAL BOND COVERAGE - UNAUDITED**
Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2022	\$ 19,290,017	\$ 8,773,256	\$ 10,516,761	\$ 2,434,750	4.32
2021	19,344,413	10,767,973	8,576,440	2,431,750	3.53
2020	18,238,792	10,161,039	8,077,753	2,428,875	3.33
2019	18,191,841	7,510,855	10,680,986	2,431,500	4.39
2018	18,205,716	8,773,410	9,432,306	2,159,380	4.37
2017	17,374,105	8,969,063	8,405,042	2,399,885	3.50
2016	16,282,097	8,668,838	7,613,259	2,423,434	3.14
2015	15,668,748	8,227,527	7,441,221	2,406,026	3.09
2014	15,572,377	8,187,044	7,385,333	2,366,727	3.12
2013	15,688,563	8,346,977	7,341,586	2,362,853	3.11
2012	15,658,913	8,442,736	7,216,177	2,238,915	3.22

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.



**JACKSON ENERGY AUTHORITY - WASTEWATER FUND
HISTORICAL BOND COVERAGE - UNAUDITED**
Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2022	\$ 21,356,497	\$ 9,274,951	\$ 12,081,546	\$ 3,488,280	3.46
2021	21,390,299	10,541,525	10,848,774	3,178,315	3.41
2020	19,849,304	10,343,343	9,505,961	3,383,433	2.81
2019	20,013,671	7,943,542	12,070,129	3,348,995	3.60
2018	19,477,909	9,765,719	9,712,190	3,114,060	3.12
2017	18,609,493	10,255,522	8,353,971	3,091,008	2.70
2016	17,580,348	10,409,127	7,171,221	2,917,572	2.46
2015	16,522,508	9,626,966	6,895,542	2,822,641	2.44
2014	16,465,791	9,203,891	7,261,900	2,764,853	2.63
2013	16,361,448	9,271,032	7,090,416	2,750,209	2.58
2012	16,262,052	8,970,037	7,292,015	2,421,352	3.01

*Debt service requirements include scheduled FDA purchases on restructured 2002 bonds through FY 2018.



JACKSON ENERGY AUTHORITY - TELECOMMUNICATIONS FUND
HISTORICAL BOND COVERAGE - UNAUDITED
 Years Ended June 30,

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available For Debt Service	Bond Debt Service Requirements*	Bond Debt Service Coverage
2022	\$ 34,965,295	\$ 22,965,044	\$ 12,000,251	\$ 5,600,962	2.14
2021	33,204,247	23,139,422	10,064,825	5,600,699	1.80
2020	32,968,189	22,706,830	10,261,359	5,604,407	1.83
2019	32,999,028	20,488,259	12,510,769	5,602,242	2.23
2018	32,618,209	21,181,532	11,436,677	5,599,407	2.04
2017	31,886,223	20,091,045	11,795,178	5,602,227	2.11
2016	30,693,812	18,811,117	11,882,695	5,599,825	2.12
2015	29,308,109	17,292,347	12,015,762	5,592,500	2.15
2014	28,330,344	15,840,806	12,489,538	6,531,415	1.91
2013	27,030,689	14,499,956	12,530,733	5,762,603	2.17
2012	24,842,924	13,649,716	11,193,208	5,609,141	2.00

*Prior to the 2013 refunding, debt service requirements include level principal payments on the 2009 term loan.



**JACKSON ENERGY AUTHORITY - ELECTRIC FUND
SALES AND DEMAND IN HOURS - UNAUDITED
JUNE 30, 2022**

Sales in Megawatt Hours and Maximum Demand in Kilowatts

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other</u>	<u>Total MWH Sales</u>	<u>Maximum Hourly Demand</u>
2002	351,551	97,851	1,186,408	21,342	1,657,152	338,454
2003	368,478	102,544	1,147,926	21,136	1,640,084	340,719
2004	372,854	102,946	1,171,336	16,489	1,663,625	340,812
2005	363,280	103,821	1,192,898	22,359	1,682,358	348,978
2006	398,650	104,461	1,247,173	23,099	1,773,383	360,538
2007	395,826	104,709	1,253,314	23,664	1,777,513	374,650
2008	408,688	106,085	1,218,351	24,168	1,757,292	380,812
2009	381,427	102,742	1,149,411	24,294	1,657,874	363,467
2010	390,525	104,623	1,137,967	24,463	1,657,578	340,194
2011	410,826	105,788	1,185,504	24,946	1,727,064	374,389
2012	391,945	102,799	1,201,438	24,472	1,720,654	372,145
2013	401,507	100,898	1,187,245	24,855	1,714,505	358,354
2014	401,424	103,009	1,195,160	25,175	1,724,768	331,896
2015	386,645	103,674	1,173,617	24,934	1,688,870	347,370
2016	385,076	101,606	1,163,774	25,919	1,676,375	361,665
2017	396,576	103,472	1,206,174	25,467	1,731,689	356,298
2018	405,880	100,755	1,169,926	24,999	1,701,560	354,506
2019	402,230	104,766	1,163,821	23,836	1,694,653	352,735
2020	393,335	102,794	1,108,230	22,325	1,626,684	354,569
2021	395,035	100,892	1,132,181	21,301	1,649,409	340,875
2022	397,355	104,034	1,144,726	20,180	1,666,295	338,388

The total distribution substation capacity of the Electric Fund is 575,000 KVA.

The maximum peak hour load was 380,812 kilowatts during August 2007.



**JACKSON ENERGY AUTHORITY - GAS FUND
SALES AND TRANSPORT IN MCF - UNAUDITED
JUNE 30, 2022**

Sales and Transport in MCF

Fiscal Year	Residential	Commercial Firm	Commercial Interruptible	Industrial Firm	Industrial Interruptible	Index	Transport	Total MCF Sales and Transport
2002	1,675,493	1,050,501	137,308	283,876	381,120	-	3,756,229	7,284,527
2003	1,926,878	1,201,600	140,340	290,630	179,318	-	3,664,677	7,403,443
2004	1,719,125	1,074,381	137,927	265,763	161,008	-	3,699,949	7,058,153
2005	1,651,537	1,063,757	142,473	285,888	190,814	-	3,661,028	6,995,497
2006	1,558,479	1,048,176	139,853	270,090	190,154	-	3,951,434	7,158,186
2007	1,661,117	1,124,038	153,477	261,625	160,521	-	3,825,488	7,186,266
2008	1,679,112	1,129,076	160,192	240,722	139,983	-	3,553,418	6,902,503
2009	1,738,402	1,154,754	208,886	198,379	151,854	-	2,951,205	6,403,480
2010	1,892,070	1,207,028	226,589	165,386	183,420	-	3,330,644	7,005,137
2011	1,769,444	1,171,214	125,184	164,145	143,740	270,988	3,370,940	7,015,655
2012	1,341,224	926,399	19,054	122,863	95,284	562,412	3,354,823	6,422,059
2013	1,735,103	1,111,525	22,877	134,770	81,227	553,290	3,219,769	6,858,561
2014	2,033,253	1,295,125	24,967	142,531	49,077	637,888	3,426,031	7,608,872
2015	1,919,559	1,175,216	23,307	223,631	34,189	608,263	3,361,238	7,345,403
2016	1,406,863	917,704	26,104	145,953	5,108	744,246	3,232,839	6,478,817
2017	1,312,456	868,965	26,705	150,114	5,847	761,364	3,316,291	6,441,742
2018	1,791,595	1,132,611	27,183	188,236	6,305	806,118	3,372,748	7,324,796
2019	1,760,153	1,143,645	26,918	141,219	5,744	812,156	3,645,531	7,535,366
2020	1,681,539	1,145,397	23,171	78,591	7,831	798,643	3,605,457	7,340,629
2021	1,807,895	1,212,166	24,568	69,668	5,602	804,795	3,995,402	7,920,096
2022	1,691,907	1,152,176	30,303	81,008	5,859	767,759	3,983,597	7,712,609



**JACKSON ENERGY AUTHORITY - WATER FUND
SALES IN MGAL - UNAUDITED
JUNE 30, 2022**

Sales in MGallons Sold				
<u>Fiscal Year</u>	<u>Residential</u>	<u>General</u>	<u>Wholesale</u>	<u>Total MGal Sales</u>
2002	2,174,569	2,066,502	63,781	4,304,852
2003	2,088,804	1,899,942	39,233	4,027,979
2004	2,094,432	1,895,104	30,658	4,020,194
2005	2,122,081	1,838,164	29,006	3,989,251
2006	2,151,896	1,830,454	88,228	4,070,578
2007	2,199,369	1,824,042	62,838	4,086,249
2008	2,296,623	1,919,336	87,122	4,303,081
2009	2,134,984	1,728,370	57,317	3,920,671
2010	2,085,807	1,673,666	45,163	3,804,636
2011	2,137,664	1,685,208	22,404	3,845,276
2012	2,122,564	1,861,137	20,533	4,004,234
2013	2,066,030	1,804,529	14,996	3,885,555
2014	1,978,628	1,803,269	14,469	3,796,366
2015	1,941,743	1,769,753	13,490	3,724,986
2016	1,984,253	1,785,974	12,945	3,783,172
2017	1,984,669	1,841,121	13,087	3,838,877
2018	2,054,161	1,860,941	12,538	3,927,640
2019	1,989,414	1,786,315	12,862	3,788,591
2020	2,055,315	1,746,955	26,100	3,828,370
2021	2,128,227	1,757,277	16,460	3,901,964
2022	2,100,784	1,843,211	14,044	3,958,039



JACKSON ENERGY AUTHORITY - WASTEWATER FUND
SALES IN MGAL - UNAUDITED
 JUNE 30, 2022

Sales in MGallons Sold			
<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Total MGal Sales</u>
2002	1,481,843	1,701,359	3,183,202
2003	1,514,570	1,540,459	3,055,029
2004	1,522,707	1,583,672	3,106,379
2005	1,542,271	1,551,917	3,094,188
2006	1,551,418	1,517,170	3,068,588
2007	1,579,025	1,511,976	3,091,001
2008	1,600,485	1,543,193	3,143,678
2009	1,548,879	1,425,165	2,974,044
2010	1,549,066	1,358,828	2,907,894
2011	1,558,260	1,403,100	2,961,360
2012	1,537,265	1,473,973	3,011,238
2013	1,520,525	1,439,529	2,960,054
2014	1,467,342	1,393,828	2,861,170
2015	1,450,459	1,364,855	2,815,314
2016	1,479,741	1,391,578	2,871,319
2017	1,482,059	1,383,279	2,865,338
2018	1,515,983	1,385,289	2,901,272
2019	1,470,908	1,373,265	2,844,173
2020	1,507,084	1,332,524	2,839,608
2021	1,541,476	1,494,867	3,036,343
2022	1,522,580	1,625,060	3,147,640



**JACKSON ENERGY AUTHORITY
NUMBER OF CUSTOMERS - UNAUDITED
JUNE 30, 2022**

<u>Fiscal Year</u>	<u>Electric</u>	<u>Gas</u>		<u>Water</u>	<u>Wastewater</u>	<u>Telecommunications</u>		
		<u>Natural Gas</u>	<u>Propane</u>			<u>Cable</u>	<u>Data</u>	<u>Telephone</u>
2010	33,804	29,253	3,020	35,643	27,707	16,371	8,543	6,008
2011	33,806	29,251	3,017	35,796	27,813	15,675	10,392	6,328
2012	34,541	29,482	2,927	36,094	28,072	15,799	11,172	6,592
2013	34,865	29,815	2,982	35,746	28,653	15,965	11,743	6,608
2014	34,865	29,876	2,871	36,625	28,510	15,163	12,032	6,525
2015	35,068	29,959	2,890	35,841	28,321	14,728	12,976	6,429
2016	35,544	30,179	2,862	36,154	28,557	14,768	13,745	6,247
2017	36,016	31,178	2,809	36,433	29,237	13,795	14,445	6,135
2018	35,699	30,383	2,995	35,931	29,214	12,992	15,029	5,817
2019	35,475	31,135	2,734	36,943	29,733	12,389	15,459	5,527
2020	36,003	30,793	2,735	37,374	30,066	11,789	16,261	5,414
2021	36,091	31,691	2,737	37,791	30,529	10,723	17,087	5,246
2022	36,507	31,242	2,733	38,287	30,973	9,966	17,484	5,157



JACKSON ENERGY AUTHORITY
SCHEDULE OF TRANSFERS
For the Year Ended June 30, 2022

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Electric Fund	Telecommunications Fund	Automated Metering Infrastructure Fees	\$ 300,000
Electric Fund	City of Jackson	In Lieu of Tax Payments	4,193,266
Gas Fund	City of Jackson	In Lieu of Tax Payments	1,598,423
Water Fund	City of Jackson	In Lieu of Tax Payments	193,684
Wastewater Fund	City of Jackson	In Lieu of Tax Payments	216,235
Telecommunications Fund	City of Jackson	In Lieu of Tax Payments	393,308
Telecommunications Fund	Electric Fund	Credit Enhancement Fees	16,497
Telecommunications Fund	Electric Fund	Interest on Debt Service Reserve Note	166,650
Telecommunications Fund	Electric Fund	Pole Attachments	614,182
Telecommunications Fund	Electric Fund	Rent	68,590
Telecommunications Fund	Gas Fund	Rent	60,277
Telecommunications Fund	Water Fund	Rent	45,727
Telecommunications Fund	Wastewater Fund	Rent	33,256
Total Transfers			<u>\$ 7,900,095</u>

INTERNAL CONTROL AND COMPLIANCE

MOVING
FORWARD,
MAINTAINING
RELIABILITY



ANNUAL
REPORT
FY2022



**Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

To the Board of Directors
Jackson Energy Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Jackson Energy Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Jackson Energy Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander Thompson Arnold PLLC

Jackson, Tennessee

October 31, 2022



Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Jackson Energy Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jackson Energy Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jackson Energy Authority's major federal programs for the year ended June 30, 2022. Jackson Energy Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson Energy Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson Energy Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jackson Energy Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable Jackson Energy Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jackson Energy Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jackson Energy Authority's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jackson Energy Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jackson Energy Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jackson Energy Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Jackson, Tennessee
October 31, 2022



JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

• Material weaknesses identified?	_____ yes	<u> X </u> no
• Significant deficiencies identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:

• Material weaknesses identified?	_____ yes	<u> X </u> no
• Significant deficiencies identified?	_____ yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a).	_____ yes	<u> X </u> no
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Identification of major programs:

<u>Program Name</u>	<u>CFDA No.</u>
Community Development Block Grants	14.228

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no
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JACKSON ENERGY AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS

None reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.



JACKSON ENERGY AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

FINANCIAL STATEMENT FINDINGS

There were no prior year findings reported.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings reported.